



Our Company was incorporated as Suyog Telematics Private Limited on July 28, 1995, under the Companies Act, bearing Registration No. 091107 having its Registered Office in Mumbai, Maharashtra. Subsequently, the Company became a Public Limited Company in pursuance to a special resolution passed by the members of our Company at the EGM held on March 2, 2013. A fresh Certificate of Incorporation consequent to change of name as a result of conversion to a public limited company was issued on July 27, 2013 by the Registrar of Companies, Mumbai, Maharashtra. For further details regarding the changes in our name and registered office, please see the chapter titled "History and Certain Corporate Matters" beginning on page 120 of this Draft Prospectus.

Registered Office: 41, Suyog Industrial Estate, 1st Floor, LBS Marg, Vikhroli West, Mumbai – 400083.

Tel: +91 22 25795516; **Fax:** +91 22 25795516

Email: investor@suyogtelematics.net; **Website:** www.suyogtelematics.net

Contact Person: Ms. Neha Sharma, Company Secretary and Compliance Officer

OUR PROMOTER: MR. SHIVSHANKAR G. LATURE

THE ISSUE

PUBLIC ISSUE OF 18,12,000 EQUITY SHARES OF ₹ 10/- EACH ("EQUITY SHARES") OF SUYOG TELEMATICS LIMITED ("STL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 25/- PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO ₹ 453.00 LACS ("THE ISSUE"), OF WHICH, 1,08,000 EQUITY SHARES OF ₹ 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 17,04,000 EQUITY SHARES OF ₹ 10/- EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 28.04% AND 26.37 %, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

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

For further details see "Issue Related Information" beginning on page 203 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 page 211 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.

RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of the company, there has been no formal market for the securities of the company. The face value of the shares is ₹ 10/- per Equity Share and the issue price is 2.50 times of the face value. The Issue Price (as determined by Company in consultation with the Lead Manager) as stated under the paragraph on "Basis for Issue Price" on page 68 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our company or regarding the price at which the equity shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this document. **Specific attention of the Investors is invited to the statement of Risk Factors given on page 11 of this Draft Prospectus under the Section "General Risk".**

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through this Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE"). In terms of Chapter XB of SEBI (ICDR) Regulations, 2009 as amended from time to time, we are not required to obtain any in principle 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 the Offer Document for listing our shares on the SME Platform of the BSE. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited ("BSE").

LEAD MANAGER



ARYAMAN FINANCIAL SERVICES LIMITED

60, Khatau Building, Ground Floor,
Alkesh Dinesh Modi Marg, Fort,
Mumbai – 400 001

Tel No.: +91 – 22 – 2261 8264 / 8635

Fax No.: +91 – 22 – 2263 0434

Web: www.afsl.co.in

Email: ipo@afsl.co.in

Contact Person: Mrs. Samaira Sainani / Ms. Nehar Sakaria

SEBI Registration No. INM000011344

REGISTRAR TO THIS ISSUE



SHAREPRO SERVICES (INDIA) PVT. LTD.

13 AB, Samitha Warehousing Complex, 2nd Floor,
Sakinaka Telephone Exchange Lane, Off. Andheri Kurla Road,
Mumbai – 400 072

Tel No.: +91 – 22 – 6191 5402 / 6191 5404

Fax No.: +91 – 22 – 6191 5444

Web: www.shareproservices.com

Email: sme.ipo@shareproservices.com

Contact Person: Subhash Dhingreja

SEBI Registration No. INR000001476

ISSUE OPENS ON

[•]

ISSUE CLOSES ON

[•]

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires the following terms in this Draft Prospectus have the meaning given below:

General Terms

Term	Description
"We", "us", "our", "the Issuer", "the Company", "our Company" or "STL"	Unless the context otherwise indicates or implies, refers to Suyog Telematics Limited.

Conventional / General Terms

Term	Description
AoA/Articles/ Articles of Association	Articles of Association of our Company.
Audit Committee	The audit committee constituted by our Board of Directors on July 29, 2013.
Auditors	The statutory auditors of our Company being, M/s. Maheshwari & Co.
Board / Board of Directors	The Board / Board of Directors of our Company
Corporate / Registered Office	The Corporate / Registered Office situated at 41, Suyog Industrial Estate, 1st Floor, LBS Marg, Vikhroli West, Mumbai – 400083.
Directors	The Directors of our Company, unless otherwise specified
Key Management Personnel	The personnel listed as Key Management Personnel in the chapter titled " <i>Our Management</i> " beginning on page 123 of this Draft Prospectus.
Memorandum/ MOA / Memorandum of Association	The Memorandum of Association of our Company, as amended
Promoter	Promoter of our Company being Mr. Shivshankar Lature
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(zb) of the SEBI ICDR Regulations as disclosed in the Chapter titled " <i>Our Promoter, Promoter Group and Group Companies</i> ".
Remuneration Committee	The remuneration committee constituted by our Board of Directors on July 29, 2013.
Shareholders'/Investors' Grievance Committee	The Shareholders' / Investors' Grievance committee constituted by our Board of Directors on July 29, 2013.

Issue Related Terms and Abbreviations

Term	Description
Allot/Allotment/Allotted	Unless the context otherwise requires, means the allotment of Equity Shares pursuant to the Issue to successful Applicants
Allottee	A successful Applicant to whom the Equity Shares are Allotted
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares

Term	Description
	of the Company
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Applicant to make an Application authorising an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB. ASBA is mandatory for QIBs (except Anchor Investors) and Non-Institutional Applicants participating in the Issue
ASBA Account	Account maintained by an ASBA Applicant with a SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant
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 73 of the Act, where the funds shall be transferred by the SCSBs from the bank accounts of the ASBA Investors
Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks which are Clearing Members and registered with SEBI as Banker to an issue with whom the Escrow Account(s) will be opened and in this case being [●]
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicant s under the Issue and which is described in the chapter titled " <i>Issue Procedure</i> " beginning on page 211 of this Draft Prospectus
Business Day	Monday to Friday (except public holidays)
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Controlling Branches	Such Branches of the SCSBs which co-ordinate Applications by the ASBA Applicant s with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.
Depositories	NSDL and CDSL
Depository Participant or DP	A Depository Participant as defined under the Depositories Act.
Designated Branches	Such Branches of the SCSBs which shall collect the Application Forms used by the Applicants applying through the ASBA process and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Applicants in the Issue.
Designated Market Maker	Aryaman Broking Ltd. having registered office at 713A, P.J.Towers, Dalal Street, Fort, Mumbai – 400001
Designated Stock Exchange	BSE Limited

Term	Description
Eligible NRIs	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 Draft Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Draft Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened demat accounts with SEBI registered qualified depository participants.
Equity Shares	Equity shares of our Company of ₹ 10/- each
Escrow Account(s)	An Account opened with the Escrow Collection Bank(s) and in whose favour the Applicants (excluding the ASBA Applicants) will issue cheques or drafts in respect of the Application Amount when submitting an Application.
Escrow Agreement	The agreement to be entered into among our Company, the Registrar to the Issue, the LM, the Escrow Collection Bank(s) and the Refund Bank for collection of the Application Amounts and where applicable, remitting refunds of the amounts collected to the Applicants (excluding the ASBA Applicants) on the terms and conditions thereof
Issue / Issue size	Public Issue of 18,12,000 Equity Shares of face value ₹ 10 each for cash at a price of ₹ 25 per Equity Share (including share premium of ₹ 15 per Equity Share) aggregating to ₹ 453 lacs by Suyog Telematics Limited.
Issue Closing date	The date on which the Issue closes for subscription
Issue Opening date	The date on which the Issue opens 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
Issue Price	The price at which the Equity Shares are being issued by our Company under this Draft Prospectus being ₹ 25
Issue Proceeds	The proceeds of the Issue. For further information about use of the Issue Proceeds please see the chapter titled " <i>Objects of the Issue</i> " beginning on page 62 of this Draft Prospectus
Lead Manager / LM	Lead Manager to the Issue being Aryaman Financial Services Ltd.
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 1,08,000 Equity shares of ₹ 10 each at ₹ 25 per Equity Share aggregating to ₹ 27 lacs for Designated Market Maker in the Issue of Suyog Telematics Limited
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Mutual Funds Portion	5% of the QIB Portion (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 17,04,000 Equity Shares of ₹ 10 each at ₹ 25 per Equity Share aggregating to ₹ 426 lacs by Suyog Telematics Limited
Non-Institutional Applicant	All Applicants, including Eligible QFIs, sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals, that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs)

Term	Description
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI
Prospectus	The Prospectus, to be filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.
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 Foreign Investors / QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI
Qualified Institutional Buyers / QIBs	As defined under Regulation 2(1)(zd) of the SEBI Regulations, and includes Public Financial Institutions as specified in Section 4A of the Companies Act, 1956, Scheduled Commercial Banks, Mutual Funds registered with SEBI, FIIs and Sub-accounts registered with SEBI (other than a sub-account which is a foreign corporate or foreign individual), Multilateral and Bilateral Development Financial Institutions, Venture Capital Funds registered with SEBI, foreign venture capital investors registered with SEBI, State Industrial Development Corporations, Insurance Companies registered with IRDA, Provident Funds with minimum corpus of ₹ 250 million, Pension Funds with minimum corpus of ₹ 250 million, the National Investment Fund set up by the Government of India, Insurance Funds set up and managed by army, navy or air force of the Union of India and Insurance Funds set up and managed by the Department of Posts, India
Refund Account(s)	The account opened with Refund Banker(s), from which refunds (excluding refunds to ASBA Applicants), if any, of the whole or part of the Application Amount shall be made
Refund Bank	[●] to be appointed later
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or the ASBA process, as applicable
Registrar to the Issue	Sharepro Services (India) Pvt. Ltd.
Retail Individual Applicants	Individual Applicants (including HUFs applying through their Karta and Eligible NRIs) who have not applied for Equity Shares for an amount of more than ₹ 2,00,000 in any of the Application options in the Issue
RoC	100, Everest, Marine Drive, Mumbai - 400002
SEBI Regulations / SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
Self Certified Syndicate Bank(s) or SCSB(s)	A Bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Underwriters	Aryaman Broking Ltd.
Underwriting Agreement	The Agreement entered into between the Underwriter, our Company and the Registrar to the Issue on August 08, 2013
Working Day	All days other than a Sunday or a public holiday on which Commercial Banks in Mumbai are open for business

Company Related / Industry Related / Technical Terms and Abbreviations

Term	Description
AEs	Advanced Economies
APAC	Asia-Pacific
B. Com.	Bachelor of Commerce
BG	Bank Guarantee
BSE	The BSE Limited
BTS	Base transceiver station
CAD	Current Account Deficit
CDSL	Central Depository Services (India) Limited
CENVAT Rules	CENVAT Credit Rules, 2004
Companies Act	Companies Act, 1956
DoT	Department of Telecommunications
EBITDA	Earnings Before Interest, Tax, Depreciation & Amortization
EGM	Extraordinary General Meeting
EMDEs	Emerging Market And Developing Economies
EPS	Earnings Per Share
Factories Act	The Factories Act, 1948
FDI Circular	Circular 1 of 2012 which consolidates the policy framework on FDI, with effect from April 10, 2012
FIPB	Foreign Investment Promotion Board of the Government of India
Fiscal / Financial Year / FY	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FVCI	Foreign venture capital investor registered under the FVCI Regulations
GBT	Ground Based Tower
GM	General Manager
H1	1 st half of a financial year
HUF	Hindu Undivided Family
ICA	Industrial Computer Accountant
ICDR / Regulations	SEBI The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
IP-1	Infrastructure Provider Category 1
IT Act	Income Tax Act, 1961
LaBL	Project Lighting A Billion Lives
MARR	Multi Access Radio Relay
MICR	Magnetic Ink Character Recognition
MoU	Memorandum of Understanding
Mtrs	Metres
MSRDC	Maharashtra State Road Development Corporation
NAV	Net Asset Value
NBPP	National Broadband Penetration Program
NECS	National Electronic Clearing System
NI Act	Negotiable Instruments Act, 1881
No.	Number
NOC	No Objection Certificate
NOFN	National Optical Fiber Network
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited

Term	Description
O&M	Operation & Maintenance
OCB(s)	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA.
OFC	Optical Fibre Cable
OMO	Open Market Operation
OSP	Other Service Providers
p.a.	Per Annum
P/E	Price/Earnings Ratio
QE	Quantitative Easing
QE	Quantitative Easing
QoS	Quality Of Service
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RM	Raw Material
RoNW	Return on Net Worth
Rs. / Rupees / ₹ / INR	Indian Rupees
RTE	Right to Education Act
RTGS	Real Time Gross Settlement
RTP	Roof Top Pole
RTT	Roof Top Tower
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985
Sq. ft.	Square Feet
Sq. mt.	Square Meter
Sr.	Senior
Sr. No.	Serial Number
STT	Securities Transaction Tax
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporates or foreign individuals.
TAN	Tax Deduction Account Number allotted under the Income Tax Act
TERI's	Tata Energy Research Institute's
TRAI	The Indian Telecom Services Performance Indicators
TSP	Telecom Service Provider
U.S. / US / U.S.A / United States	The United States of America, together with its territories and possessions
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
USOF	Universal Services Obligation Fund
VCFs	Venture Capital Funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 and the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012

CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to "India" contained in this Draft Prospectus are to the Republic of India. In this Draft Prospectus, our Company has presented numerical information in "lacs" units. One lac represents 1,00,000.

Financial Data

Unless stated otherwise, the financial data in this Draft Prospectus is derived from our audited financial statements as on and for the Fiscal Years ended March 31, 2013, 2012, 2011, 2010 and 2009, prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations and included in this Draft Prospectus. Our Fiscal Year commences on April 1 and ends on March 31 of the following year. In this Draft Prospectus, any discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. 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, Indian GAAP, the Companies Act and the SEBI Regulations on the financial disclosures presented in this Draft Prospectus should accordingly be limited. We have not attempted to explain the differences between Indian GAAP, U.S. GAAP and IFRS 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.

Any percentage amounts, as set forth in the section and chapters titled "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 11, 97 and 169 respectively, of this Draft Prospectus, and elsewhere in this Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations.

Currency, Units of Presentation and Exchange Rates

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

This Draft Prospectus contains conversions of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI Regulations. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

Definitions

For definitions, please see the chapter titled "*Definitions and Abbreviations*" on page 01 of this Draft Prospectus. In the Section titled "*Main Provisions of the Articles of Association of our Company*" beginning on page 240 of this Draft Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Draft Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

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

FORWARD-LOOKING STATEMENTS

All statements contained in this Draft Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Draft Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "may", "will", "will continue", "will pursue", "contemplate", "future", "goal", "propose", "will likely result", "will seek to" or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Further the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the Steel industry in India and overseas in which we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Other important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Our inability to manage our growth effectively, especially as we expand to new cities;
- Our inability to maintain or enhance our brand recognition;
- Our inability to retain the services of our senior management, key managerial personnel and capable employees;
- Decrease in demand for pole / tower space in India;
- Factors affecting the wireless telecommunications industry in India;
- Increase in competition in the pole / tower industry;
- Recommendations on the Telecommunication Infrastructure and Policy;
- Inability to adequately protect our trademarks;
- Loss of any major customer;
- Rise in global commodity and equipment prices as well as labour cost increase;
- Failure to successfully upgrade our technology and installation procedures in a cost-efficient way, from time to time; and
- Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner.

For further discussions of factors that could cause our actual results to differ, please see the section and chapters titled "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of*

Financial Condition and Results of Operations beginning on pages 11, 97 and 169 of this Draft Prospectus, respectively.

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. Forward-looking statements speak only as of this Draft Prospectus. Our Company, our Directors, the LM, and their respective affiliates or associates 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 the SEBI requirements, our Company and the LM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading approvals by the Stock Exchange.

SECTION II: RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all of the information in this Draft Prospectus, including the risk and uncertainties described below, before making an investment in our equity shares. If any of the following risk actually occurs, our business, results of operations and financial condition could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment.

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

Unless specified or quantified in the relevant risk factors mentioned below, the Company is not in a position to ascertain the financial and other implication of any of the other risks mentioned below.

Materiality

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

1. Some events may have material impact quantitatively;
2. Some events may have material impact qualitatively instead of quantitatively;
3. Some events may not be material individually but may be found material collectively;
4. Some events may not be material at present but may be having material impact in future.

INTERNAL RISK FACTORS

1. Certain legal proceedings have been instituted against our Company and Promoter/Director. Any adverse rulings from such proceedings could materially affect the financial conditions, goodwill and operations of the Company and the Promoters.

Our Company and our Promoter are parties to a criminal litigation filed against us. The Police have conducted their investigation in the matter and have *inter alia* concluded that no action is maintainable against our Company and our Promoter. However, the Judicial Magistrate of First Class is yet to pass a final order in the matter. Determination of this proceeding against the Company and/or our Promoter could have an adverse impact on our financial condition and operations. No assurances can be given as to whether the matter will be settled in our favour or against us. If a claim is determined against us and we are required to pay all or a portion of the disputed amount, it could have an adverse effect on our results of operations and cash flows. Further, our Promoter could be may also be made subject to imprisonment, the term of which cannot be ascertained.

On the basis of the information available in the records of the Hon'ble Bombay High Court, it appears that on April 17, 2012 proceedings are instituted against the Company under Sections 433, 434 and 439 of the Companies Act, 1956 by Kore Digital Private Limited. The status of the matter is depicted as being in the preadmission phase although being considered for rejection. Till date, the Company has not been served in the matter. Hence, the Company is not aware of the cause of action in the matter.

There cannot be any assurance that the matter will be not be admitted or that the Hon'ble Bombay High Court will consider the matter in favour of the Company.

A brief summary of the outstanding legal proceedings involving our Company is given below:

Litigations / Proceedings filed against our Company

Sr. No.	Nature of Matter	No. of Matters	Amount (to the extent quantifiable) (₹ in lacs)
1	Litigations involving Criminal Laws	1	45.50
2	Litigations involving Statutory Laws	1	Unascertainable

For further details of the same, please see the chapter titled “*Outstanding Litigations and Material Developments*” beginning on page **Error! Bookmark not defined.** of this Draft Prospectus.

2. Setting up of telecom infrastructure sites and our business activity in various locations is subject to receipt of regulatory approvals, absence or delay in receipt of the requisite regulatory approvals could affect our business and results of operations.

Our business is derived from installing, commissioning and operating Towers, Poles, Optical Fibre Cable (“OFC”) Systems, and other such Passive Telecom Infrastructure in India. We require various regulatory and procedural approvals/permissions/consents including but not limited to No-Objection Certificates from Local or municipal authorities, environmental approvals from the pollution control boards for operating DG Sets, clearance from SCAFA for construction of towers, Electricity connection of suitable capacity from SEBs etc. Further, in case of civil construction items such as tower/pole/foundation, supporting structures, antenna mounting structures etc, generally it is our responsibility to obtain the structural safety certificates from the agencies nominated by the local authorities.

In addition, concerns have recently been raised regarding the health and aesthetic effects of the installation of large numbers of towers/poles etc, particularly in metro and urban areas of India, as well as rising pollution levels due to the use of diesel generators at these sites. As a result, certain conditions have been imposed by various civic authorities for the deployment of towers, which could materially restrict our ability to expand our business operations. Also various general licenses and approvals are required by us for each city/town/state etc in which we operate.

We apply for various permits/licenses/approvals/permissions from time to time as and when required. There can be made no assurance that the relevant authorities / agencies will grant us such permissions/approvals in the affirmative, if at all and on a timely manner or as expected. Further these permits/approvals etc are subject to conditions and we cannot be sure that we will meet these conditions on a on-going basis, which may lead to cancellation, revocation, suspension of the relevant permits, licenses or approvals.

We believe that none of the core business related approvals are pending as on date, however certain government and revenue authority related approvals are pending and the Company is in the process of making an application. The details are as below:

Sr. No.	Governing Rule	Particulars
1	Bombay Shops and Commercial Establishments Act, 1948	801/ A, Manas Residency, Opp. Teen Petrol Pump, Panchpakhadi, Thane (W) - 400604. Ground Floor, Suyog Apartment, Near Rishikendra High School, Signal Camp, Latur – 413512 Office No. 104, 1 st Floor, “XL Plaza” Village Tirandaz, Near Bhavani Industrial Estate, IIT Market, Powai, Mumbai-400 076
2	Trade Marks Registry	Pursuant to the conversion of the Company from a private

Sr. No.	Governing Rule	Particulars
		company into a public company, the Company proposes to amend its logo

Failure to renew, maintain or obtain required permits and approvals from time to time could lead to monetary or non-monetary action against us or we may required to undergo additional expenditure to change sites etc and hence these events could materially adversely affect our results of operations and financial conditions.

3. Our Promoter operates a Proprietary Concern in the name and style of "Suyog Telematics". Any adverse developments w.r.t same could adversely affect our future goodwill and business operations.

Prior to incorporation of our company, our promoters used to carry out their activities through a proprietary concern in the name and style of "Suyog Telematics". Post the incorporation of our company for several years we have been operating this proprietary concern in the same name and have also been carrying out activities which are similar to that of our company. It was only in 2008, after receiving our registration as Infrastructure Provider Category-I (IP-I) with DoT (Department of Telecommunications), that we have stopped carrying our any similar activity in the proprietary concern. However, this proprietary concern till date is in existence and is currently carrying out infrastructure development work on a contract basis.

Even though this concern currently does not operate in the field of telecom infrastructure and does not have any other material business connection with our company, any adverse developments w.r.t same could send wrong signals to our lenders, investors and stakeholders and hence could adversely affect our goodwill and future business operations.

4. Decrease in demand for telecom sites will affect our operating results.

Many of the factors affecting the demand for telecom sites could materially affect our operating results. Those factors include:

- consumer demand for wireless services;
- the financial condition of wireless service providers;
- the ability and willingness of wireless service providers to maintain or increase their capital expenditures;
- the growth rate of wireless communications or of a particular wireless segment;
- governmental licensing of spectrum;
- mergers or consolidations among wireless service providers;
- increased use of network sharing arrangements or roaming and resale arrangements by wireless service providers;
- delays or changes in the deployment of 3G or other technologies;
- zoning, environmental, health and other government regulations; and
- technological changes

The demand for telecom sites is dependent on the needs of wireless service providers. In the event that there is a significant variation in any of the aforesaid factors, our business, our growth plans and results of operations may be significantly affected.

5. *Third Party Passive Infrastructure sharing is a new concept in the Indian telecom industry and is to be successfully proven and thus achieving scalability could face problems.*

Infrastructure sharing in the wireless telecom sector is a new concept in India. The growth phase in the cellular subscriber base in India is expected to continue. With an increasing pressure on average revenue per user and declining usage charges, the thrust among the telecom operators has shifted to cost cutting. The telecom operators are now strongly contemplating sharing telecom infrastructure to save time and cost. We have so far entered into two contracts from Telecom Operators for infrastructure sharing. However, our future in the business is dependent upon successful implementation of these contracts and winning additional contracts beating the strong competition. Internationally, although passive infrastructure sharing has been successful in the US, it has not been successful in Asia. No assurance can be given that the passive infrastructure sharing model will be successful in India and that we will be successful in implementing the business and its future growth strategy. There can be no assurance that we will be successful in implementing our business and future growth strategy, and this could affect our business, financial condition and results of operations.

6. *We face various types of competitive pressures. Our inability to effectively compete in the Telecom Infrastructure space, will adversely affect our future prospects, results of operations and financial condition.*

Except for the Poles business, wherein we are first movers in Maharashtra, for all of our remaining Passive Telecom Infrastructure services, currently, we face tough competition in the market from established Passive and Active Telecom Infrastructure Providers such as GTL Infrastructure, Bharti Infratel, Reliance Infratel, Viom Networks etc. Also, we face competition from players in sectors like real estate firms, which own several rooftops in the metros, located in high usage areas such as business parks and high density residential colonies. The rooftops are marketed as managed rooftops complete with security and power connection. Public sector giants such as railways, which have a dedicated telecom infrastructure arm offering their own mass communication facilities to the cellular and broadcast operators on lease. Tower manufacturers, which have a distinct cost advantage in terms of tower procurement and erection, also offer their towers to the operators on lease.

Further, because Telecom Regulatory Authority of India (TRAI) allows sharing of infrastructure by telecom operators, and some of the Telecom Operators have planned to hive off their tower infrastructure/passive infrastructure into separate companies, we could also be adversely affected if different telecom companies decide to jointly set up additional infrastructure and hence, reduce the business opportunities for Independent Infrastructure providers like us.

If we are unable to ensure that our telecom Infrastructure solutions are competitive in the future, this could adversely affect our future prospects, results of operations and financial condition. For further detail regarding our strategies to ensure competitiveness, please see "Our Business" beginning on page 97 of this Draft Prospectus.

7. *If our wireless service provider customers consolidate or merge with each other to a significant degree, our growth, revenue and ability to generate positive cash flows could be adversely affected.*

Significant consolidation among our wireless service provider customers may result in reduced capital expenditures in the aggregate because the existing networks of many wireless carriers overlap, as do their expansion plans. The Indian wireless telecom market has experienced consolidation during the past couple of years. There are still numerous wireless operators in India with at least 2-3 GSM operators and 1-2 CDMA operators for each circle. There is potential for further consolidation among

the operators to realize a larger operating scale and subscriber base. Consolidation among wireless carriers would also increase our risk that the loss of one or more of our major customers could materially decrease revenues and cash flows.

8. The success of our business model is subject to the continuance survival and credit worthiness of telecom operators.

Due to the long-term nature of our tenant leases, we, like others in the Telecom Infrastructure Industry, are dependent on the continued financial strength of our tenants, who are telecom service providers. Many wireless service providers operate with substantial leverage. In the recent past, some of the telecom operators such as Uninor, Videocon etc have decided to shut their operations. If one or more of our major customers experience financial difficulties, it could result in uncollectible accounts receivable and our loss of significant customers and anticipated lease revenues. This, would materially adversely affect our results of operations and financial condition.

We are trying to diversify our client base in order to expand our current operation, however there are very few telecom operators in the current market. Thus our clients are restricted to those few players in the prevailing market. We have the distinction of having worked with almost all the leading telecom operators. No single customer accounted for more than 36.42%, 27.92% and 31.19% of our net sales in fiscal 2013, 2012 and 2011 respectively.

9. Our service level agreements with Telecom Operators have clauses/covenants that could affect our business and financial condition.

We have currently entered into certain contracts with leading operators to provide the operators passive telecom infrastructure facility and services. Some of these agreements have certain clauses/covenants that could be restrictive to our business plans and could also lead to a financial / legal liability. Some of the material matters pertaining to the same are as disclosed below:

- In some agreements, the telecom operator has a right of first refusal in their favour, in case of construction of new sites not governed by the agreement and in respect of additional rack space in the shelter in the current sites.
- These agreements contain a commitment to maintain certain service level standards, which impose stringent obligations upon us, including in relation to tower deployment timelines, electromagnetic field restrictions and required minimum availability levels. Failure to meet these service levels, could result in service level credits from customers, i.e. penal charges against the revenue paid to us.

We are planning to address these risks by contractually limiting our liability through the liability clause. In order to reduce and mitigate identifiable risks, we plan to put in place various insurance covers from reputed insurance companies. All of our physical infrastructure will be insured against fire and allied perils, theft and burglary.

Although we have plans to restrict the risk of liability from Service Level Agreements through the liability clause and insure against the liability arising from the damage of infrastructure/equipments, the actual liability on this account might be higher as compared to the risk cover.

For more details on the contracts please see the chapter titled "*History and Certain Corporate Matters*" beginning on page 120 of this Draft Prospectus.

10. Our business depends on the delivery of an adequate and uninterrupted supply of electrical power and fuel at a reasonable cost.

Our towers/poles require an adequate and cost-effective supply of electrical power to function effectively. We principally depend on power supplied by regional and local electricity transmission grids operated by the various state electricity providers. In the non-urban areas where power supply is erratic, in order to ensure that the power supply to their sites is constant and uninterrupted, we rely on batteries and DG sets, the latter of which require diesel fuel.

A lack of adequate power supply and/or power outages could result in significant downtime at our towers/poles, resulting in service level credits becoming due to their customers. There is no assurance that we will have an adequate or cost effective supply of electrical power at our sites or fuel for DG sets, the lack of which could disrupt ours, and our customers' businesses, adversely affecting our business and results of operations.

Even though power costs are paid by us and reimbursed from the telecom operators, increase in price at which they purchase electrical power from the state electricity providers or the price of fuel increases could lead to overall increase in operating costs and thus reduce the viability of such site. Hence, there can be no assurance that we will be able to manage Power Costs at commercially acceptable terms or at all, which could have a material adverse effect on our business and results of operations.

11. Failure to successfully and effectively execute expansion in our lines of business could disrupt our business and affect our financial condition.

We propose to expand our site base at a very rapid pace in the future. 100 new Poles and 10 new RTTs are proposed to be set up from the proceeds raised from this Issue. For further details regarding the fund requirements and other technical parameters of the same, please see "Objects of the Issue" beginning on page 62 of this Draft Prospectus.

Our ability to develop new sites is dependent upon a number of factors, including the availability of sufficient capital to fund development, ability to assess customers' needs, ability to locate, and lease or acquire, at commercially reasonable prices, suitable locations for these towers/poles and related infrastructure and our ability to obtain the necessary licenses and permits. Identifying a location to establish a site requires expertise in telecommunications infrastructure engineering, tower/pole management and network consultancy. The process used by us to install a telecom site is detailed and complex. *For details regarding key processes please see "Our Business" beginning on page 97 of this Draft Prospectus.*

We have identified the locations internally, as to where we propose to set up sites, and also had initial discussions with the relevant customers for gauging the demand for these sites. However, since there are no contractual agreements or trial runs etc on these locations, there can be no assurance that we will be successful in executing the necessary installations at the rate required to meet our expansion plans and be able to extract adequate revenue from these sites in the future. A failure to do so could have a material adverse effect on our business prospects, results of operations, cash flows and financial condition.

12. Failure to manage our growth will affect our future prospects.

We have shown considerable growth in the recent past. Our revenues and net profits have increased at a CAGR of 37.44% and 49.67% respectively in the last five years. Further we have embarked on an expansion strategy to increase our footprint to other areas and augment our available infrastructure capacity. The growth of our businesses is expected to place significant demands on our

management and operational resources. In order to manage growth effectively, we shall have to implement and improve operational systems, procedures and internal controls on a timely basis. If they fail to do so, or if there are any present or future weaknesses in their internal control and monitoring systems that would result in inconsistent internal standard operating procedures, we may not be able to service our customers' needs, hire and retain new employees, pursue new business opportunities or operate our business effectively.

Our inability to execute our growth strategy, to ensure the continued adequacy of our current systems or to manage our planned business expansion effectively could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

13. We do not own the properties from where we operate our business operations. Termination of currently available arrangements would materially affect our operational efficiency and results in the future.

We occupy certain such Registered Office, Branch Office and Godowns for our business operations, none of which are currently owned by us. Following are the details of the various properties which we currently occupy:

Sr. No.	Description of Property	Name of Owner / Lessor/ Landlord etc.	Consideration	Occupancy Rights Valid upto
1	Registered Office: 41, Suyog Industrial Estate, 1st Floor, LBS Marg, Vikhroli West, Mumbai – 400083. 1084 sq. ft.	Mr. Gurushanthappa Lature	Interest Free Security Deposit: ₹ 2,20,000 Monthly Rent: Nil	February 28, 2023
2	Branch Office: 801/ A, Manas Residency, Opp. Teen Petrol Pump, Panchpakhadi, Thane (W) – 400604 864 sq. ft.	Mr. Shivshankar Lature	Interest Free Security Deposit: ₹ 75,00,000/- Monthly Rent: Nil	February 28, 2022
3	Branch Office & Godown: Ground Floor, Suyog Apartment, Near Rishikendra High School, Signal Camp, Latur – 413512 1000 sq. ft.	Mr. Shivshankar Lature	Interest Free Security Deposit: ₹ 40,00,000/- Monthly Rent: Nil	February 28, 2022
4	Godown: Office No. 104, 1 st Floor, "XL Plaza" Village Tirandas, Near Bhavan Industrial Estate, IIT Market, Powai, Mumbai – 400076	Mr. Shivshankar Lature	Interest Free Security Deposit: ₹ 40,00,000/- Monthly Rent: Nil	February 28, 2022
5	Branch Office & Godown: 1st Floor, 60, Ansari Road, Near Natraj Cinema, Dehradun – 248 001 500 sq. ft.	Dr. Navinkumar Jain	Interest Free Security Deposit: ₹ 10,000/- Monthly Rent: ₹ 5,500/-	March 20, 2016

Sr. No.	Description of Property	Name of Owner / Lessor/ Landlord etc.	Consideration	Occupancy Rights Valid upto
6	Branch Office: 18, Suyog Industrial Estate, 1st Floor, LBS Marg, Vikhroli West, Mumbai – 400083. 1084 sq. ft.	Mr. Shivshankar Lature	Security Deposit: ₹ 1,00,00,000/- Monthly Rent: Nil	June 30, 2021

If the owner of such premises does not renew these arrangements under which we occupy said premises or renews the same on terms which are not acceptable to us, we may suffer a disruption in operations which could have a material adverse effect on its business and operations.

14. Any inability to protect our rights to the land/sites on which our towers/poles are located may adversely affect our business and operating results.

We lease substantially all of the land and property on which our towers/poles are located. In general, these lease arrangements are for periods of between 1 and 3 years and grant us the right to use the leased premises for the purpose of carrying on this business. Under their lease arrangements, we may require the prior written consent of the lessor for any further assignment of the lease. The lessor may terminate the agreement pursuant to specified notice periods if the lessee is in arrears of lease rental payments. Further, certain leases and other commercial agreements entered into by us may not be duly stamped or registered. In the event that we need to enforce our rights under such agreements in a court of law, the required stamp duty will need to be paid by us.

A loss of our leasehold interests, including through actual or alleged non-compliance with the terms of these lease arrangements, the termination of leases by lessors, or an inability to secure renewal thereof on commercially reasonable terms when they expire, would interfere with our ability to operate our tower/poles portfolio and to generate revenues. The current owners of the land or rooftops or public transport (such as bridges/ flyovers etc) on which our towers/poles and other passive infrastructure are located could attempt to significantly increase the rental rates upon the addition of new sharing operators or on expiration of current leases, or on account of radiation related concerns. The cost of relocating a site is significant. We may not be able to pass these costs on to our customers and any such relocation could cause disruption to our customers.

15. New technologies could make our tower/pole leasing business less desirable to potential tenants and result in decreasing revenues.

The development and implementation of new technologies designed to enhance the efficiency of wireless networks could reduce the use and need for tower-based wireless services transmission and reception and have the effect of decreasing demand for tower/pole space. New technologies may make our site provisioning services less desirable to potential tenants and result in decreasing revenues. Such new technologies may decrease demand for site provisioning and negatively impact our revenues. In addition, the emergence of new technologies could reduce the need for tower/pole-based broadcast services transmission and reception. The development and implementation of any of these and similar technologies to any significant degree could have an adverse effect on our operations.

16. We could have liability under environmental laws.

Our operations, like those of other companies engaged in similar businesses, are subject to the requirements of various environmental and occupational safety and health laws and regulations,

including those relating to the management, use, storage, disposal, emission and remediation of, and exposure to, hazardous and non-hazardous substances, materials and wastes. We cannot assure you that we are at all times in complete compliance with all environmental requirements. We may be subject to potentially significant fines or penalties if we fail to comply with any of these requirements. The current cost of complying with these laws is not material to our financial condition or results of operations. However, the requirements of these laws and regulations are complex, change frequently, and could become more stringent in the future. It is possible that these requirements will change or that liabilities will arise in the future in a manner that could have a material adverse effect on our business, financial condition and results of operations.

17. Our success depends in large part upon senior management and our highly skilled professionals and our ability to attract and retain these personnel.

Our senior management and our Directors collectively have many years of experience in the telecom infrastructure business and are difficult to replace. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. For further details of our senior management and our Directors please see the chapter titled “*Our Management*” beginning on page 123 of this Draft Prospectus.

We do not maintain key man life insurance for any of the senior members of our management team or other key personnel. We cannot assure you that we will continue to retain any or all of the key members of our management. The loss of the services of any key member of our management team could have an adverse effect on our business, financial condition and results of operations and could cause the price of our Equity Shares to decline.

18. Our insurance coverage may not adequately protect us against all material risks.

We have insured against a majority of the risks associated with our business. While we believe that the insurance coverage which we maintain directly or through our contractors, would be reasonably adequate to cover the normal risks associated with the operation of our business, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, nor that we have taken out sufficient insurance to cover all material losses. For details, see the chapter titled “*Our Business*” on page 97 of this Draft Prospectus. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance or exceeds our insurance coverage, the loss would have to be borne by us and as a result, our results of operations and financial performance could be adversely affected.

19. Upon completion of the Issue, our Promoter / Promoter Group may continue to retain control over us, which will allow them to influence the outcome of matters submitted to the shareholders for approval.

At present our Promoter / Promoter Group owns 90.32% stake in our Company and after completion of the Issue, the shareholding of our Promoter / Promoter Group would be reduced to 65% shares of our Company. Hence upon completion of this Issue, our Promoter / Promoter Group will continue to own the majority of our Equity Shares. As a result, our Promoter / Promoter Group will have the ability to exercise significant influence over all matters requiring shareholder approval, including the election of directors and approvals of significant corporate transactions. Our Promoter/Promoter Group will also be in a position to influence any shareholder action or approval requiring a majority vote, and may take or block actions with respect to our business which may conflict with the interests of our minority shareholders except where it is required otherwise by applicable laws or where they abstain from voting. Such a concentration of ownership may also have the effect of delaying or deterring a change in our control or a change in our capital structure, a merger, consolidation, takeover or other business combination involving us.

20. The Promoters, Directors, and certain Key Management Personnel hold Equity Shares in our Company and are therefore interested in the Company's performance in addition to their remuneration and reimbursement of expenses.

Our Promoters, Directors and certain Key Management Personnel hold Equity Shares in our Company. For details, please see the chapters titled "*Capital Structure*" on page 50 and "*Our Management*" on page 123 of this Draft Prospectus. To the extent of such equity shareholding, the Promoters, Directors and Key Management Personnel would be deemed to be interested in our Company in excess of their remuneration and reimbursement of expenses. Further, the members of our promoter group namely Mr. Shivshankar G Lature and Mr. Gurushantappa L Lature have received ₹ 255 lacs and ₹ 220 lacs respectively from our Company as interest free deposit for leasing out their premises at Vikhroli, Thane, Powai and Latur. For details regarding the properties, please see the chapter titled "*Our Business*" beginning on page 97 of this Draft Prospectus.

21. The name and logo of our Company post conversion to a public company is yet to be registered as a trademark.

We have been conducting our business using our logo and our customers and suppliers associate our logo with our Company and its operations. Our Company has registered the logo of 'Suyog Telematics Pvt. Ltd.' in Class 38 under no. 1526180 on January 31, 2007. Further, pursuant to conversion from "Private Limited" to "Public Limited" our Company is in the process of making an application for the revision in the logo. We cannot be certain that on applying for registration of our logo as our trademark we would be able to obtain a registration of our logo as our trademark. Further, unauthorized parties may infringe upon or misappropriate our logo or other proprietary rights. The misappropriation or duplication of our intellectual property could disrupt our business, distract our management and employees, reduce our total income and increase our expenses. We may need to litigate to enforce our intellectual property rights or to determine the validity and scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome of any such litigation cannot be guaranteed.

22. Our Company has made issuances of Equity Shares during the last 12 months at a price lower than the Issue Price.

Our Company has, in the last 12 months made issuances of Equity Shares at a price lower than the Issue Price, whose details are as follows:

Date of Allotment of fully Paid-up Shares	Number of Equity Shares Allotted	Face Value (₹)	Issue Price (₹)	Nature of Allotment (Reasons for Issue / Benefits to Issuer)	Nature of Consideration	Allotted person
August 10, 2013	23,25,000	10	NIL	Bonus Issue in the ratio of 1:1	Bonus	Allotted to all the existing Shareholders of the Company

For further details, please see the chapter titled "*Capital Structure*" beginning on page 50 of this Draft Prospectus.

23. Our ability to pay 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 future earnings, financial condition, cash flows, working capital requirements and capital expenditures and will be subject to

management discretion and to prior consent of the lenders. There can be no assurance that we will be able to pay dividends in the future.

24. Our funding requirements and deployment of the Net Proceeds of the Issue are based on management estimates and have not been independently appraised, and are not subject to monitoring by any independent monitoring agency.

We intend to use the net proceeds of the Issue for the purposes described in the chapter titled “*Objects of the Issue*” beginning on page 62 of this Draft Prospectus. The objects of the Issue have not been appraised by any bank or financial institution and are not subject to any monitoring by any independent agency. These are based on current conditions and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy, as discussed further below. Based on the competitive nature of the industry, we may have to revise our management estimates from time to time and consequently our funding requirements may also change. Our management estimates may exceed fair market value or the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our project expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows.

Further, the utilization of funds raised from this issue are not subject to monitoring by any independent monitoring agency and are hence dependent on adequate monitoring by the Board of Directors and other members of the Senior Management.

25. We are subject to restrictive covenants under our credit facilities that could limit our flexibility in managing the business.

The agreements/sanctions governing our existing indebtedness contain restrictions and limitations, such as restriction on, utilization of facility solely for the purpose sanctioned, incurring further indebtedness, creating further encumbrances on our assets, affecting any scheme of amalgamation or restructuring and undertaking guarantee obligations. In addition, some of these borrowings may contain financial covenants, which require us to maintain, among other matters, positive net worth. We cannot assure you that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business. For further details on the negative covenants, please see the chapter titled “*Financial Indebtedness*” beginning on page 181 of this Draft Prospectus.

26. We require certain registrations and permits from government and regulatory authorities in the ordinary course of business and the failure to obtain them in a timely manner or at all may adversely affect our operations.

We require a number of approvals, licenses, registrations and permits for operating our businesses. Whilst we have obtained a significant number of approvals for our business verticals, certain approvals which we have applied for are currently pending. Moreover, we may need to apply for additional approvals in future. Further, we may need to renew some of the approvals, which may expire, from time to time, in the ordinary course. For more information regarding the approvals we have applied for and that are currently outstanding, please see the chapter titled “*Government & Other Approvals*” on page 187 of this Draft Prospectus. If we fail to obtain or renew any applicable approvals, licenses, registrations and permits in a timely manner, our ability to undertake our businesses may be adversely impacted, which could adversely affect results of operations and profitability. Furthermore, our government approvals and licenses may be subject to numerous conditions, some of which could be onerous.

There can be no assurance that we will be able to apply for any approvals, licenses, registrations or permits in timely manner, or at all, and there can be no assurance that the relevant authorities will issue or renew any such approvals, licenses, registrations or permits in the time frames anticipated by us. Further, we cannot assure that the approvals, licenses, registrations and permits issued to us would not be suspended or revoked in the event of noncompliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory actions. Any failure to renew the approvals that have expired or apply for and obtain the required approvals, licenses registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, may impede our operations.

27. Unsecured loans taken by us can be recalled by the lenders at any time, which may affect our business and financial condition.

As on March 31, 2013, we have outstanding unsecured loans from to the extent of ₹ 562.00 lacs which have been taken in a normal course of business. Such unsecured loans are ideally to be repaid by our receivables, but incase the client does not repay these loans on time, the same may be recalled by the lenders immediately which may affect our business and liquidity condition. For further details regarding such loans, please see "Annexure VIII: Statement of Short Term Borrowings" of the Section titled "Financial Information" beginning on page 157 of this Draft Prospectus.

28. We have experienced negative cash flows in previous years / periods. Any operating losses or negative cash flows in the future could adversely affect our results of operations and financial condition.

We have experienced negative cash flows in the past. Our net cash from operating activities amounted to ₹ (151.62) lacs in fiscal 2013, ₹ (234.64) lacs in fiscal 2010 and ₹ (84.32) lacs in fiscal 2009. Our net cash from investment activities amounted to ₹ (412.07) lacs in fiscal 2013, ₹ (38.99) lacs in fiscal 2012, ₹ (121.29) in fiscal 2011 and ₹ (34.62) lacs in fiscal 2010. Our net cash from / (used in) financial activities amounted to ₹ (134.71) lacs in fiscal 2012. If the negative cash flow trend persists in future, our Company may not be able to generate sufficient amounts of cash flow to finance our Company's working capital, make new capital expenditure, pay dividends, repay loans, make new investments or fund other liquidity needs which could have a material adverse effect on our business and results of operations.

EXTERNAL RISK FACTORS

29. Being a growing company, we may require further equity issuance, which will lead to dilution of equity and may affect the market price of our Equity Shares or additional funds through incurring debt to satisfy our capital needs, which we may not be able to procure and any future equity offerings by us.

Our growth is dependent on having a strong balance sheet to support our activities. In addition to the Net Proceeds and our internally generated cash flow, we may need other sources of financing to meet our capital needs which may include entering into new debt facilities with lending institutions or raising additional equity in the capital markets. We may need to raise additional capital from time to time, dependent on business conditions. The factors that would require us to raise additional capital could be business growth beyond what the current balance sheet can sustain; additional capital requirements imposed due to changes in regulatory regime or significant depletion in our existing capital base due to unusual operating losses. Any fresh issue of shares or convertible securities would dilute existing holders, and such issuance may not be done at terms and conditions, which are favourable to the then existing shareholders of our Company. If our Company decides to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be

subject to additional covenants, which could further limit our ability to access cash flows from our operations. Such financings could cause our debt to equity ratio to increase or require us to create charges or liens on our assets in favor of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of our expansion plans. Our business and future results of operations may be adversely affected if we are unable to implement our expansion strategy.

Any future issuance of Equity Shares by our Company may dilute shareholding of investors in our Company; and hence adversely affect the trading price of our Company's Equity Shares and its ability to raise capital through an issue of its securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Company's Equity Shares. Additionally the disposal, pledge or encumbrance of Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

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

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the SME Platform of BSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

31. The price of our Company's Equity Shares may be volatile, and investors may be unable to resell their Equity Shares at or above the Issue Price, or at all.

The price of the Equity Shares may fluctuate after this Issue as a result of several factors, including, among other things, volatility in the Indian securities markets, the results of our operations and performance, the performance of our competitors, developments in the Indian retail and consumption-led sectors, changing perceptions in the market about participation in these sectors, adverse media reports on us or the Indian consumption-led sectors, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalization and deregulation policies and significant developments in India's fiscal regulations.

Indian financial markets have in the past experienced substantial fluctuations in the prices of listed securities. Further, the Indian financial markets have experienced volatility, with the BSE Sensex from a high of 21,206.77 points on January 10, 2008 to a low of 7,697.39 points on October 27, 2008, a decline of almost 63.70% during the period. Similarly, the BSE Sensex increased from 8,047.17 points on March 6, 2009 to 17,486.05 points on December 29, 2009, a rise of 117.29% during the period. If similar volatility occurs in the future, the market price and liquidity of our Equity Shares could be adversely affected.

Prior to the Issue, there has been no public market for our Company's Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Issue. 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 Company's operating results, market conditions specific to the packaging sector in India, developments relating to India and volatility in the BSE and the NSE and securities markets elsewhere in the world. The risk of loss

associated with this characteristic may be greater for investors expecting to sell Equity Shares purchased in this Issue soon after the Issue.

32. Political instability or changes in the policies formulated by the Government of India from time to time could affect the liberalization of the Indian economy and adversely affect our business, results of operations and financial condition.

The Government of India has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, and the market price and liquidity of the Equity Shares may be adversely affected by changes in foreign exchange rates and regulations, interest rates, government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization in India could change in future, and statutory/regulatory requirements and/or policies the general economic environment in India, foreign investment, currency exchange and other matters affecting our business and/or investment in our securities could change as well. Any significant change in liberalization and deregulation of policies in India could adversely affect business and economic conditions in India generally and our business, operations and profitability in particular.

33. We are subject to risks arising from interest rate fluctuations which could adversely affect our business, financial condition and results of operations.

Changes in interest rates could significantly affect our financial condition and results of operations. The interest rates of certain of our borrowings are subject to floating rates of interest based on changes in the prime lending rate of the respective lenders, which are subject to renegotiation on a yearly basis. If the interest rates for our existing or future borrowings increase significantly, our cost of funds will increase. This may adversely impact our results of operations, planned capital expenditures and cash flows.

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

The tax rates including surcharge and education cess applicable to us for fiscal 2014 are 32.45%. Any increase in the tax rates may have an adverse impact on our business and results of operations and we can provide no assurance as to the extent of the impact of such changes.

35. 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.

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

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

37. All of our revenue is derived from business in India and a decrease in economic growth in India could cause our business to suffer.

Currently we derive all of our revenue from our operations in India and, consequently, our performance and the quality and growth of our business are dependent on the health of the economy of India. However, the Indian economy has been volatile in the past two years and may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the microfinance industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

38. Our ability to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, if at all. Limitations on raising foreign debt may have an adverse effect on our business, financial condition, and results of operations.

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

Prior to this Issue, there has been no public market for our Equity Shares. The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry and the perception in the market about investments in the Financial /Capital Market industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue.

40. Our Company's transition to IFRS reporting could have a material adverse effect on our reported results of operations or financial condition.

Public companies in India, including 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, IFRS announced by the Ministry of Corporate Affairs, Government, through the press note dated January 22, 2010 ("Press Release") and the clarification thereto dated May 4, 2010 (together with the Press Release, the "IFRS Convergence Note"). Pursuant to the IFRS Convergence Note, which have a net worth of ₹ 5,000 million or less, as per the audited balance sheet as at March 31, 2011 or the first balance sheet for accounting periods which ends after that date, are required to convert their opening balance sheet as at April 1, 2014 in compliance with the notified accounting standards to be converged with IFRS. The Company has not yet determined with any degree of

certainty what impact the adoption of IFRS will have on its financial reporting. The Company's 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 and in the corresponding (restated) period in the comparative Fiscal Year/period. In addition, in our transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, our transition may be hampered by increasing competition and increased costs for the relatively small number of IFRS experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements.

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

Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business, including those relating to consumer protection, Internet and privacy. Please see the chapter titled "*Key Industrial Regulations and Policies*" beginning on page 110 of this Draft Prospectus for details of the material laws currently applicable to us.

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

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

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

43. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our Company's business.

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our Company's ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could harm our Company's business and financial performance, ability to obtain financing for capital expenditures and the price of our Company's Equity Shares.

Prominent Notes:

1. Investors may contact the Lead Manager for complaints, information, clarifications or complaints pertaining to the Issue.
2. Public issue of 18,12,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 25 per share aggregating ₹ 453 lacs. The issue comprises of 1,08,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 25 per share aggregating ₹ 27 lacs as Market Maker Portion. Thus the Net Issue to the Public is of 17,04,000 Equity Shares of ₹10 each for cash at a price of ₹ 25 per share aggregating ₹ 426 lacs.
3. The net worth of the Company was ₹ 569 lacs as of March 31, 2013, as per the restated financial statements of the Company prepared in accordance with Indian GAAP and restated in accordance with SEBI (ICDR) Regulations. For more information, please see the section titled "*Financial Information*" beginning on page 142 of this Draft Prospectus.
4. The average cost of acquisition per Equity Share by our Promoter i.e. Mr. Shivshankar Lature is ₹ 4.64. *For further details relating to the allotment of Equity Shares to our Promoter, please see the chapter titled "Capital Structure" beginning on page 50 of this Draft Prospectus.*
5. The book value per Equity Share of ₹ 10 each was ₹ 24.47 March 31, 2013, as per the restated financial statements of the Company prepared in accordance with Indian GAAP and restated in accordance with SEBI (ICDR) Regulations. For more information, please see the chapter titled "*Financial Information*" beginning on page 142 of this Draft Prospectus.
6. Our Company was incorporated as "Suyog Telematics Private Limited", under the Companies Act, 1956 on July 28, 1995. Pursuant to a special resolution passed at the EGM on March 02, 2013, the company was converted to a Public Company and a fresh certificate of incorporate was issued by Registrar of Companies, Mumbai dated July 27, 2013.
7. None of the member of the Promoter Group, neither A Director nor any relative of any Director has financed the purchase by any other person of any securities of the Company during the six months immediately preceding the date of this Draft Prospectus.
8. Except as disclosed in this Draft Prospectus, none of the Directors have any interest in the 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. Further, the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by them with any company in which they hold directorships or any partnership firm in which they are partners.
9. Except as disclosed in the chapter titled "*Capital Structure*" on page 50 of this Draft Prospectus, None of the Promoter has entered in to a transaction of Equity Shares of Our Company during the six months immediately preceding the date of this Draft Prospectus.
10. Other than as stated in the chapter titled "*Capital Structure*" on page 50 of this Draft Prospectus, the Company has not issued any Equity Shares for consideration other than cash.
11. In the event of over-subscription, allotment shall be made as set out in paragraph titled "*Basis of Allotment*" beginning on page 233 of this Draft Prospectus and shall be made in consultation with

the Designated Stock Exchange i.e. BSE. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.

12. Trading in Equity Shares for all investors shall be in dematerialized form only.
13. For details of the related party transactions, including details of transactions between the Company with its group companies and the cumulative value of such transactions, please see "*Related Party Transactions*" on page 140 of this Draft Prospectus.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY OVERVIEW

The following information includes extracts from official and unofficial publicly available information, data and statistics derived from reports prepared by third party consultants, private publications, and industry reports prepared by various trade associations, as well as other sources, which have not been prepared or independently verified by the Company, the Lead Manager, or any of their respective affiliates or advisors. Such information, data and statistics may be approximations or may use rounded numbers. Certain data has been reclassified for the purpose of presentation and much of the available information is based on the Management's best estimates and should therefore be regarded as indicative only and treated with appropriate caution.

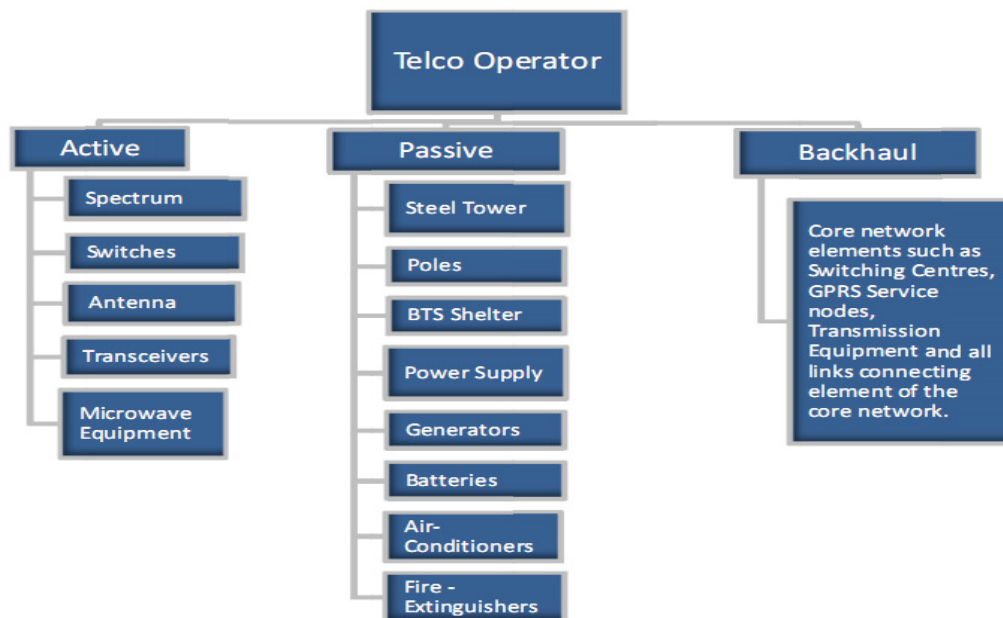
The Telecom Infrastructure Industry

Brief History, Structure and Growth

The Indian Telecom Infrastructure Industry is closely associated with telecom services industry which has witnessed phenomenal growth in the last few years. The Indian telecom success story is built around the wireless segment and telecom infrastructure development has played a vital role in the development of the wireless sector. Earlier, telecom companies used to have their own towers and it was critical in deciding their network connectivity and attracting customers. Later with roll-out of pan-India network, many independent tower companies entered into the market. Some private telecom companies decided to hive off their tower businesses into separate tower entities, to unlock the value. With rising competition in telecom space, telecom players started sharing the telecom infrastructure to expand quickly giving rise to multi-tenancy.

Telecoms infrastructure for operators primarily consists of:

- Active infrastructure
- Passive infrastructure
- Backhaul

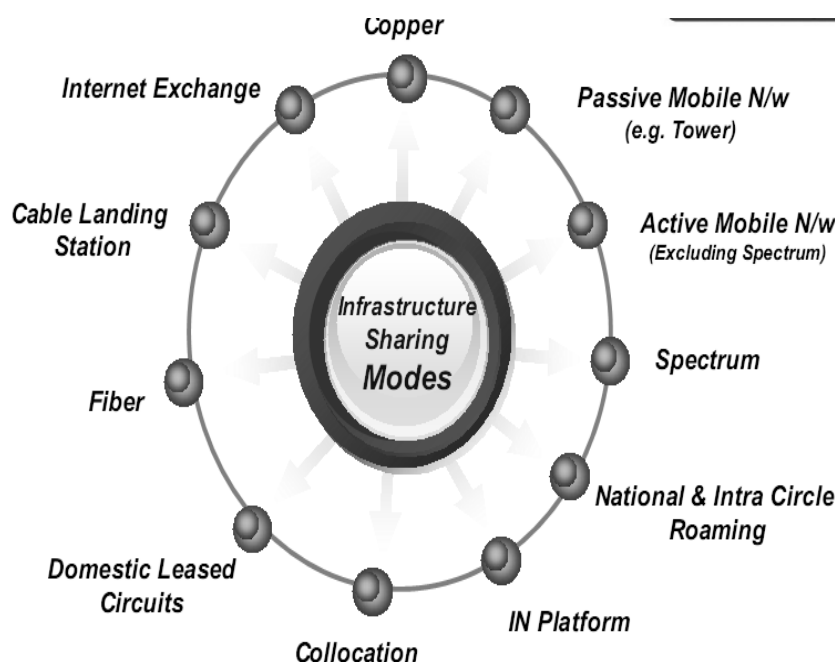


Active Infrastructure Sharing: In the case of active network sharing, two or more operators deploy a completely shared radio network and in some case, a partly shared Core Network. The shared radio network consists of Radio Base Stations, Radio Network Controllers, transmission, site etc. The part of the core network that is shared consists of the MSC/VLR and SGSN. Active sharing is not allowed by regulation in most of the countries and has to be initiated amongst the operators themselves.

Passive Infrastructure Sharing: Passive infrastructure essentially consists of tower sites and complements the active network infrastructure; while it does not play any role in carrying wireless signals, it is a vital part of any wireless network as it is critical to ensure the active components are operational. Currently the most commonly shared infrastructure among operators is passive infrastructure, as it is easier to contract its set-up and maintenance.

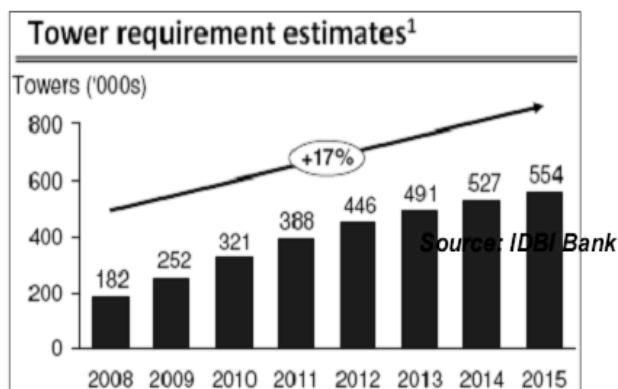
Backhaul: It refers to the backbone that connects the active infrastructure at the tower site with the BSC and MSC. In India, traditionally, wireless operators used microwave as backhaul. However, they are progressively moving to optic-fibre-based links.

The different modes of Infrastructure Sharing are depicted below –

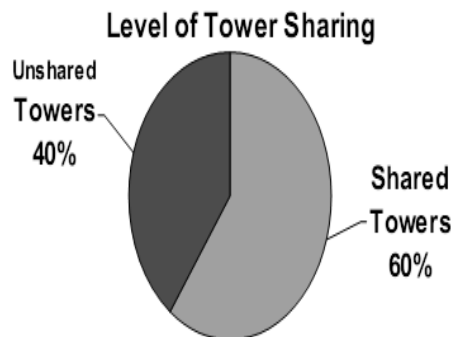


Tower infrastructure is increasingly becoming independent of telecom operators. Currently, there are about 0.3 million Towers, as against the estimated requirement of 0.5 million towers by 2015. About 60% of the existing towers are being shared, having an average tenancy of about 1.5.
(Source: TRAI)

The Tower requirement estimates and the level of Tower Sharing is projected below -



(Source: TRAI)



A scheme has been launched by USO Fund to provide subsidy support for setting up and managing 7353 number of infrastructure sites/ towers in 500 districts spread over 27 states for provision of mobile services in the specified rural and remote areas, where there was no existing fixed wireless or mobile coverage. Villages or cluster of villages having population of 2000 or more and not having mobile coverage were taken into consideration for installation of towers under this scheme. The number of towers was subject to change based on actual field survey and coverage achieved thereof as per the terms and conditions of the Agreements. As on December 31, 2011, 7296 towers i.e. about 99.22% have been set up under this scheme. The infrastructure so created is being shared by three service providers for provision of mobile services. As on December 31, 2011, 15686 BTSs (Base Transceiver Stations) have been commissioned by Service Providers and mobile services are being provided.

(Source: DoT – Outcome Budget 2012-13)

Rationale and Benefits of Passive Infrastructure Sharing

The growing capital expenditure and the high operating expenses incurred by each telecom operator on a site ownership basis individually, is driving operators to consider the sharing of infrastructure. Infrastructure sharing is effective in optimizing the utilisation of available resources and helps to bring down the cost of providing telecommunications services. The Department of Telecom has allowed passive infrastructure sharing among operators, which includes sharing of physical sites, buildings, shelters, towers, power supply and battery backup. With sharing, the cost burden on operators reduces significantly, improving the rate of mobile services rollout.

Sharing of infrastructure offers the following key benefits –

- ✓ *Infrastructure spending:* Allows operators to cut down on capital expenditure. Infrastructure cost for operators is estimated to decline by 16% to 20%. The tower companies, on the other hand, derive regular annuity income. Tower sharing can be instrumental in allowing a number of operators to enter remote regions that would normally have very high rollout costs. Ever-increasing demand to roll out 3G/Wimax/LTE networks has been putting a lot of pressure on the infrastructure spending of operators. Reduced costs of infrastructure can allow more money to be spent on enhancing infrastructure
- ✓ *Network operation cost:* Results in rationalisation of operational cost due to reserves produced by sharing site rent, power and fuel expenses
- ✓ *Enhanced focus on service innovation:* Alleviates pressure of network rollout and cost management from operators, allowing them to focus on customer service in a highly competitive

and customer-centric industry. This becomes especially important in a regulatory environment demanding fast rollout of services

- ✓ *Lower entry barrier:* Active and passive infrastructure sharing will result in lower entry barriers, allowing smaller players to penetrate the market.

Factors driving growth for Passive Infrastructure Sharing

Apart from favorable industry prospects, there are several other factors too that drive increase in tower sharing, as discussed below –

- ✓ *Viability of business at low ARPUs:* At present, incremental growth in the subscriber base is coming mainly from rural/semi-urban areas (also in these areas, the incremental ARPUs are relatively lower). Further, network design and planning in rural areas is different from that in urban areas, given that the population in rural areas is widely dispersed, which increases the tower requirements to cover the same number of subscribers (vis-à-vis urban areas). But as, even at low ARPUs, business viability can increase significantly on the strength of infrastructure sharing.
- ✓ *High usage and limited spectrum availability:* India has one of the highest MoUs in the world, which increases the number of base tower stations (BTS) required to handle the same subscriber base. Thus while on an average, a GSM BTS can handle around 1,100 subscribers, in the case of high usage areas the figure can be as low as 600-700 subscribers, which means a larger number of cell sites would be required for the same area. Moreover, the country has the problem of spectrum scarcity, which increases the requirement of towers to maintain a reasonable level of service quality.
- ✓ *Quality of service:* In the past, domestic telecom operators competed largely on the pricing plank. However, as mobile tariffs in India are currently one of the lowest in the world, the scope for further tariff reduction is low. Given this fact, going forward, quality of service (QoS) would become the prime distinguishing factor among the competing companies. Moreover, a rapidly increasing subscriber base and spectrum crunch would further add to the problem of telecom operators having to maintain the minimum level of QoS. Besides, with the likely introduction of mobile number portability, QoS will become more important as customers will then have a broader range of options available with limited switching costs. Thus to retain existing subscribers by preventing subscriber churn, operators will require additional infrastructure in their existing areas of operation to be able to offer better QoS.
- ✓ *Enhancement of profitability:* Tower sharing helps operators lower their operating costs and capital expenditure and thereby earn better margins and higher Return on Capital Employed (RoCE); the overall impact on Profit and Loss is also positive. Analysis suggests that there would be net annual cost savings for mobile operators if they opt to lease towers from a tower company rather than own them.
- ✓ *Entry of new players and expansion plans of existing operators:* Recently, several regional operators such as Vodafone Essar Limited, Idea Cellular Limited, Aircel Cellular Limited and Shyam Telelink Limited (now Sistema Shyam Teleservices Limited) have received licences as well spectrum in new circles, which would enable them to become pan-India operators in the next one-two years. Also, new licences have been issued to players such as Unitech, Swan Telecom, and S Tel Limited. Given the significant expansion plans of new entrants over the medium term and the need for them to optimise investments in order to maintain returns, demand for towers is expected to report a sharp increase.

- ✓ *Shorter rollout time, a key necessity.* As the domestic telecom industry is highly competitive, doing business may not be easy for the new entrants. Moreover, given that the incumbents already have the competitive advantages of widespread distribution networks, established brand names and strong subscriber base, shorter network-rollout time would be a critical success factor for the new entrants; a longer rollout time could mean loss of substantial market share to other operators. Tower companies allow players to start operations in a particular region just by installing their electronics on the ready-to-use towers, thereby significantly shortening the rollout time.
- ✓ *New technologies to further stimulate demand.* 3G services are expected to be launched in the country in 2009-10. Moreover, in order to augment their services, various operators plan to launch Wi-Max services as soon as they receive additional spectrum from Government. This would further increase the demand for sharing of passive infrastructure.

For further details regarding our industry and key risks pertaining to our industry, please see the chapter and the section titled "*Industry Overview*" and "*Risk Factors*" on pages 82 and 11 of this Draft Prospectus respectively.

SUMMARY OF OUR BUSINESS

We are a growing passive telecommunication infrastructure provider in India, engaged primarily in the business of installing and commissioning of Poles, Towers and Optical Fibre Cable ("OFC") Systems in India. "Passive infrastructure" refers to the telecommunication towers for wireless telecommunication services and "OFC" is used for the purpose of hosting and assisting in the operation of the active infrastructure used for transmitting telecommunications signals or transporting voice and data traffic.

Our business is to build, own and operate telecommunication Poles, Towers (particularly Roof-top towers), OFC systems and related assets and to provide these passive infrastructure assets on a shared basis to wireless and other communications service providers. These customers use the space on our telecommunication towers to install active communication-related equipment to operate their wireless communications networks. We also offer services to Telecom Operators in installing Telecom Infrastructure on job work basis.

We are registered as Infrastructure Provider Category-I (IP-I) with DoT (Department of Telecommunications). With our high quality, cost-effective and time bound services, we have also gained a good presence in the Telecom Industry as a TSP Vendor. We have provided a number of Poles and Infrastructure on lease over various areas in and around Maharashtra and Uttarakhand and have also installed BTS equipments on poles for most of the leading Mobile Service Providers in India, including, Bharti Airtel Ltd., Vodafone Essar Ltd., Idea Cellular Ltd., and TTML. Having been in the business of civil construction for over 2 decades, our group has completed installation of more than 200 Poles for various TSPs and about 10,000 Roof-Top Towers for BSNL on job work basis. As on June 30, 2013, our fully completed owned portfolio of passive infrastructure consists of 301 Poles in and around Mumbai and 81 towers in and around Maharashtra and Uttarakhand. In addition, we have our own optical fiber cable network of about 150 km in and around Mumbai.

We intend to capitalize upon what we believe to be emerging trends within the Indian telecommunications industry towards passive infrastructure sharing. We propose to increase our geographical presence across other niche locations in India by further augmenting our Passive Infrastructure Portfolio by installation of additional Roof Top Towers and new Ground Based Poles, some of which are proposed to be funded through the proceeds of this Issue. For further details, please see the chapter titled "*Objects of the Issue*" beginning on page 62 of this Draft Prospectus.

Our Revenues have grown from ₹ 181.92 lacs in fiscal 2009 to ₹ 892.23 lacs in fiscal 2013, representing a CAGR of 37.44%. Our earnings before interest, tax, depreciation and amortization have increased from ₹ 24.53 lacs in fiscal 2009 to ₹ 336.75 lacs in fiscal 2013, representing a CAGR of 68.86%. Our profit after tax has significantly increased from ₹ 13.88 lacs in fiscal 2009 to ₹ 100.11 lacs in fiscal 2013, representing a CAGR of 48.46%. For further details pertaining to our financial performance, please see "*Financial Information*" on page 142 of this Draft Prospectus.

As on June 30, 2013 our Company has staff strength of 14 employees for its existing operations. For further details, please see "*Our Business*" on page 97 of this Draft Prospectus.

Competitive Strengths

Today's dynamic markets and technologies have called into question the sustainability of competitive advantage. We believe that the following competitive advantages of our company ensure our survival and help us attain a prominent position in the market:

- ***First mover advantage in the Poles business***

We are a pioneer in bringing the concept of Poles in India. On an average, while installation of a roof-top tower involves a capital expenditure of ₹ 10 lacs, installation of a pole involves a capital expenditure as low as ₹ 2 lacs. Currently there are not many entities in India operating in this particular business segment. Moreover, there are growing concerns over the carcinogenic nature of emissions caused by towers. These towers emit radio frequencies up to a distance of 2-3 miles which are speculated as being extremely harmful for human beings. Poles emit lesser radiations as compared to towers.

Given that towers and poles have similar properties and provide similar functions, installation of poles gives us an edge over our competitors due to the following reasons –

- ✓ Better margins and higher Return on Capital Employed due to lower operating costs and capital expenditure;
- ✓ Reduced carbon emission and less radio frequency emission.

- ***Significant infrastructure in place to capture the future growth potential of the telecommunications sector***

All our telecommunication towers are configured to host multiple wireless service providers. As of June 30, 2013, our average system-wide telecommunication tower capacity (measured in terms of available hosting slots per telecommunication tower) was 2 tenants per tower, while our actual system-wide average telecommunication tower occupancy rate was 1 tenant per tower. We believe that the capacity available on our telecommunication tower portfolio, and our overall portfolio profile, positions us well to capitalize on an increase in tower-sharing within India. We believe we are in a favorable position to accept large infrastructure sharing contracts from communications service providers, such as the recently executed contracts with entities such as Airtel, Tata Telematics Ltd., Vodafone Essar, Idea etc., due to the size of our passive infrastructure network.

We are also in advanced stages of negotiations with various operators and cable television providers for OFC and duct-sharing arrangements.

- ***Significant project execution, operational and management experience***

We are led by a management team that has been involved in the roll-out of our existing portfolio from the start of its development until the present. Throughout the course of building our owned telecommunication portfolio numbering 81 towers and 301 poles as on June 30, 2013, our management team has developed project and operational management expertise and understands the key opportunities and risks associated with our business.

Our revenues and returns on investment will be primarily driven by our ability to develop / acquire sites of strategic importance and high growth potential, secure better commercial terms from users and increase utilization of space and infrastructure on our sites. It may be possible for us to achieve these objectives since we are a third party neutral service provider with no business conflicts with other service providers in the telecom space and are best positioned to capitalize on this emerging opportunity.

We believe that this expertise, which also extends down from our management team to many levels of our working teams, will prove to be a significant strength as we look to expand our portfolio and customer base over the course of the coming years. We believe that, among other things, this experience will provide us with advantages with respect to commercial negotiations with suppliers, identifying areas for cost reductions and other efficiencies.

- ***Established relationship with our clients***

We have developed strong and sustaining relationships with our clients i.e. Telecom Operators. We have the distinction of having worked with almost all the leading telecom operators. No single customer accounted for more than 36.42%, 27.92% and 31.19% of our net sales in fiscal 2013, 2012 and 2011 respectively.

Our track record of delivering timely services to our customers and demonstrated industry expertise consistently has helped us nurture long-term relationships with them. We have a history of high customer retention and derive a significant proportion of our revenue from repeated business.

- ***Environment, Safety and Health policy / "Go Green" technology***

Protecting the environment is one of our core values and reflects our commitment to be socially responsible and deliver our services in an environmentally friendly manner. Sharing of sites by multiple operators has optimized the energy cost significantly. 2 to 3 operators sharing bring down the energy cost by 20% to 30% (*Source: Internal Estimates*) for the respective operator. We take responsibility to maintain a healthy work environment in full compliance with legal safety Standards beyond the prescribed Government of India norms. As a result, we have a corporate Environment, Safety and Health policy that apply to all employees and operations across the country. Our portfolio of towers to poles ratio is 10:80. The radio emission and carbon emission from pole sites is multiple times less than conventional RTT sites since the sharing possibility and feasibility in a pole site is not like a RTT site. Hence we are a pioneer in our industry and are working towards greener and safe environment.

Safe practices, healthy working conditions and the protection of our environment are a key to achieving sustainable profitability and success.

Business Strategy / Future Plans

Our business objective is to capitalize on emerging trends within the Indian telecommunications industry to expand our business, through the following strategies:

- ***Actively seek opportunities to increase tenancy of our portfolio***

We intend to actively seek out opportunities to add additional telecom operators as customers to our portfolio. As the costs of operating a pole / tower site are largely fixed and are recovered under the terms of the rental arrangement with the initial customer for any site, each additional customer beyond the first would be likely to have a positive effect on our margins. As such, we intend to actively look for opportunities to attract multiple wireless telecom operators to our telecommunication towers, including smaller and new Indian telecommunications companies with small networks which are unable or unwilling to make the significant investments required to build substantial proprietary passive infrastructure networks, wireless telecom operators who prioritize quick access to new markets and operators of new and emerging wireless technologies who will look to roll out their new networks in an effective and cost-efficient manner.

We also intend to explore other expansion opportunities to maximize the capacity utilisation of our existing portfolio and expand our operations, including by attracting new customers, to host 3G, 4G, WiMAX and/or other new and emerging communications technologies on our telecommunication towers and, if permitted by regulation in the future, using our telecommunication towers for broadcasting purposes.

In addition, we have also signed passive infrastructure sharing contracts with certain telecommunication operators and are in the advanced stages of discussions with other key operators for the provision of similar services. These contracts are expected to be signed and put into operation in the current financial year.

- ***Targeting niche areas***

We intend to target niche areas by continuing to focus on strategic site acquisition through constant research and development which we believe is a core thrust and biggest challenge in our business. We intend to acquire space from the “No Land Available” areas. We continuously collaborate with our customers and land owners in the government and private space to provide innovative solutions. A typical example of the same is our project on the Bandra-Worli Sea Link.

- ***Exploit our experience in other Infrastructure related activities***

Given the similar nature of activities and resources involved in the execution and the project management for setting up of tower / pole infrastructure and other infrastructure related activities, we believe that we could look at maximizing the opportunity to share passive infrastructure in the short term as well as continue to install pole sites wherein we are the pioneers and market leaders.

- ***Maintain performance and competitiveness of existing business***

We intend to utilize project management skills to access the growing demand for telecom projects in India. We plan to use our expertise to bid for a large number of projects and deploy our resources more efficiently and improve operating margins. We also intend to continue to strengthen our technical and engineering capabilities to enable us to bid for more projects. We believe constant research and development would enable us to remain ahead of competition and also to help customers with lower costs and enhance their efficiency. Because speed to market and reliable network performance are critical components to the success of wireless service providers, our ability to assist customers in meeting their goals will contribute to our success. We intend to continue to focus on customer service by, for example, reducing cycle time for key functions, such as lease processing.

- ***Continue to recruit, retain and train qualified personnel***

We believe the successful implementation of our business and growth strategies depends on our ability to hire and cultivate experienced, motivated and well trained members of our management and employee teams. We intend to continue to recruit, retain and train qualified personnel. We plan to empower management and plant leadership to excel by decentralizing operational decision-making to those who best know the business needs of each plant, and to encourage the building of our knowledge base by sharing best practices from different plant locations.

SUMMARY OF OUR FINANCIALS

ANNEXURE I: STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(₹ in lacs)

Particulars	As at 31 st March				
	2013	2012	2011	2010	2009
I. EQUITY AND LIABILITIES					
1.Shareholders' funds					
(i) Share capital	232.50	210.00	210.00	210.00	1.00
(ii) Reserves and surplus	336.50	208.89	136.61	73.06	17.32
A. Share application money pending allotment	0.00	40.00	0.00	0.00	0.00
3.Non-current liabilities					
(i) Long-term borrowings	0.00	0.00	0.00	0.00	15.00
(ii) Deferred tax liabilities (Net)	(1.31)	4.21	0.47	0.00	0.00
4.Current liabilities					
(i) Short-term borrowings	906.59	214.02	349.89	227.13	85.21
(ii) Trade payables	93.52	146.26	122.63	118.52	9.64
(iii) Other current liabilities	385.43	171.48	288.08	131.09	10.17
(iv) Short-term provisions	0.00	4.03	0.00	0.00	0.00
Total	1953.33	998.86	1107.69	759.81	138.33
II. ASSETS					
1.Non-current assets					
(i) Fixed assets					
(a) Tangible assets	470.61	160.33	114.43	0.72	0.04
(b) Capital Work in Progress	65.96	11.57	36.93	39.51	0.00
(ii) Long-term loans and advances	774.83	333.63	59.23	53.99	41.76
(iii) Other non-current assets	11.44	8.69	8.10	0.00	0.00
2.Current assets					
(i) Inventories	30.25	74.56	76.39	37.42	0.00
(ii) Trade receivables	168.66	105.22	156.28	96.74	15.17
(iii) Cash and cash equivalents	4.69	5.25	20.42	41.57	3.51
(iv) Short-term loans and advances	422.00	268.55	604.32	489.86	77.86
(v) Other current assets	4.88	31.04	31.58	0.00	0.00
Total	1953.33	998.96	1107.69	759.81	138.33

III. Notes & Accounting Policies forming part of The Financial Statements

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

ANNEXURE II: STATEMENT OF PROFITS AND LOSSES, AS RESTATED

(₹ in lacs)

Particulars	As at 31 st March				
	2013	2012	2011	2010	2009
I. Revenue from operations	888.79	908.68	565.64	483.43	181.92
II. Other income	3.44	0.93	1.22	5.91	0.00
III. Total Revenue (I+II)	892.23	909.61	566.87	489.34	181.92
IV. EXPENSES					
Cost of materials consumed	60.01	185.91	34.15	102.30	55.32
Purchase of Stock in Trade	5.05	0.00	0.00	0.00	0.00
Employee benefits expense	45.20	47.49	34.97	17.74	10.05
Finance costs	139.45	38.84	33.85	13.60	4.30
Depreciation	50.51	19.17	11.38	0.06	0.01
Other expenses	445.22	501.09	350.40	252.17	92.02
Total Expenditure	745.45	792.50	464.75	385.87	161.70
V. Profit before tax (III-IV)	146.78	117.11	102.11	103.47	20.22
VI. Tax Expenses					
Current Tax	52.20	41.09	38.09	32.72	6.34
Deferred tax	(5.53)	3.74	0.47	0.00	0.00
VII. Profit (Loss) for the period from continuing operations (V-VI)	100.11	72.28	63.55	70.75	13.88

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

ANNEXURE III: STATEMENT OF CASH FLOWS, AS RESTATED

(₹ in lacs)

Particulars	2013	2012	2011	2010	2009
A. Cash Flows from operating activities					
Net Profit before tax	146.78	117.11	102.11	103.47	20.22
Adjustments for:					
Depreciation	50.51	19.17	11.38	0.06	0.01
Bad Debts Written Off	12.65	-	-	-	-
Interest expense	139.45	38.84	33.85	13.60	4.30
Interest income	(3.11)	(0.72)	(1.22)	(5.63)	-
Operating cash generated before working capital changes and taxes	346.29	174.40	146.12	111.50	24.53
(Increase) / Decrease in Inventory	44.31	1.83	(38.97)	(37.42)	-
(Increase) / Decrease in Trade Receivable	(76.09)	51.06	(59.55)	(81.57)	(15.17)
(Increase) / Decrease in Loans, Advances & Other Assets	(563.59)	62.78	(159.19)	(426.80)	(100.06)
Increase / (Decrease) in Current Liabilities including trade payables & provisions	161.31	(92.98)	161.10	229.80	19.41
Operating cash generated before taxes	(87.78)	197.09	49.52	(204.49)	(71.29)
Direct Tax paid	(63.64)	(38.55)	(38.28)	(30.15)	(13.03)
Net cash generated from operating activities (A)	(151.62)	158.54	11.24	(234.64)	(84.32)
B. Cash Flows from investing activities					
Purchase of fixed assets	(415.18)	(39.71)	(122.52)	(40.24)	-
Interest Income	3.11	0.72	1.22	5.63	-
Net Cash generated from investing activities (B)	(412.07)	(38.99)	(121.29)	(34.62)	-
C. Cash flow from financing activities					
Proceeds from issue of share capital/premium	10.00	40.00	-	194.00	-
Increase / (decrease) in Loans (Liabilities)	692.57	(135.87)	122.76	126.93	85.21
Interest paid	(139.45)	(38.84)	(33.85)	(13.60)	(4.30)
Net cash from financing activities [C]	563.12	(134.71)	88.90	307.32	80.90
Net increase / decrease in cash and cash equivalents (A + B + C)	(0.57)	(15.16)	(21.16)	38.06	(3.42)
Opening balance of cash and cash equivalents	5.25	20.42	41.57	3.51	6.92
Closing balance of cash and cash equivalents	4.69	5.25	20.42	41.57	3.51

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

THE ISSUE

PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS

Equity Shares Offered: Present Issue of Equity Shares by our Company	18,12,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 25 per share aggregating ₹ 453 lacs
Of which:	
Issue Reserved for the Market Makers	1,08,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 25 per share aggregating ₹ 27 lacs
Net Issue to the Public	17,04,000 Equity Shares of ₹10 each for cash at a price of ₹ 25 per share aggregating ₹ 426 lacs
Equity Shares outstanding prior to the Issue	46,50,000 Equity Shares
Equity Shares outstanding after the Issue	64,62,000 Equity Shares
Objects of the Issue	Please see the chapter titled " <i>Objects of the Issue</i> " on page 62 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 see the section titled "*Issue Related Information*" beginning on page 203 of this Draft Prospectus.

GENERAL INFORMATION

Brief Company and Issue Information

Our Company was incorporated as Suyog Telematics Private Limited on July 28, 1995, under the Companies Act, bearing Registration No. 091107 having its Registered Office in Mumbai, Maharashtra. Subsequently, the Company became a Public Limited Company in pursuance to a special resolution passed by the members of our Company at the EGM held on March 2, 2013. A fresh Certificate of Incorporation consequent to change of name as a result of conversion to a public limited company was issued on July 27, 2013 by the Registrar of Companies, Mumbai, Maharashtra.

Registered & Corporate Office	41, Suyog Industrial Estate, 1st Floor, LBS Marg, Vikhroli West, Mumbai – 400083. Tel No.: +9122 2579 5516 Fax No.: +9122 2579 5516
Date of Incorporation	July 28, 1995
Company Registration No.	091107
Company Identification No.	U32109MH1995PLC091107
Address of Registrar of Companies	100, Everest, Marine Drive Mumbai - 400002. Tel No.: +91 – 22 – 22846955 Fax No.: +91 – 22 – 22811977
Issue Programme	Issue Opens on : [●] Issue Closes on : [●]
Designated Stock Exchange	SME Platform of BSE Limited
Company Secretary & Compliance Officer	Ms. Neha Sharma 41, Suyog Industrial Estate, 1st Floor, LBS Marg, Vikhroli West, Mumbai – 400083. Tel No.: +9122 2579 5516 Fax No.: +9122 2579 5516 Email: investor@suyogtelematics.net

Board of Directors of the Company

The following table sets forth the Board of Directors of our Company:

Name	Designation	DIN No.
Mr. Shivshankar Lature	Chairman & Managing Director	02090972
Mr. Vivek Lature	Whole-Time Director	02274098
Mr. Gurushantappa Lature	Whole-Time Director	02281331
Mr. Deodatta Marathe	Non-Executive Independent Director	02940812
Mr. Kallinath G Chitradurga	Non-Executive Independent Director	06521670
Mr. Satyajee Choudhary	Non-Executive Independent Director	06521625

For further details pertaining to the educational qualification and experience of our Directors, please see the chapter titled "Our Management" beginning on page 123 of this Draft Prospectus.

Note: Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre or post-Issue related problems, such as non-receipt of letters of allotment, credit of allotted shares in

the respective beneficiary account and refund orders. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the SCSBs, giving full details such as name, address of applicant, application number, number of Equity Shares applied for, amount paid on application and designated branch or the collection centre of the SCSB where the ASBA Application Form was submitted by the ASBA Applicants.

Details of Key Intermediaries pertaining to this Issue and Our Company

Lead Manager of the Issue

Aryaman Financial Services Limited

60, Khatau Building, Gr. Floor,
Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.),
Fort, Mumbai – 400 001
Tel. No.: +91 – 22 – 2261 8264
Fax No.: +91 – 22 – 2263 0434
Website: www.afsl.co.in
Email: ipo@afsl.co.in
Investor Grievance Email: feedback@afsl.co.in
Contact Person: Mrs. Samaira Sainani / Ms. Nehar Sakaria
SEBI Registration No.: INM000011344

Registrar to the Issue

Sharepro Services (India) Pvt. Ltd.

13AB, Samhita Warehousing Complex,
2nd floor, Sakinaka Telephone Exchange Lane,
Off Andheri-Kurla Road, Sakinaka,
Mumbai – 400 072.
Tel No.: +91 – 22 – 6191 5400 / 5402
Fax No.: +91 – 22 – 6191 5444
Contact Person: Mr. Subhash Dhingreja
Email: sme.ipo@shareproservices.com
Website: www.shareproservices.com
SEBI Registration No.: INR000001476

Legal Advisor to the Issue

M/s Kanga & Company (Advocates & Solicitors)

Readymoney Mansion, 43,
Veer Nariman Road,
Mumbai- 400 001
Tel No.: +91 – 22 – 66230000; +91 – 22 – 66332288
Fax No.: +91 – 22 – 66339656 / 57
Contact Person: Mr. Chetan Thakkar
Email: suyog.ipo@kangacompany.com
Website: www.kangacompany.com

Statutory Auditors of our Company**M/s. Maheshwari & Co.**

Chartered Accountants
10-11, Third Floor, Esplanade Building
A.K. Naik Marg
Next to New Empire Cinema
Fort, Mumbai- 400001
Tel No.: +91 – 22 – 2207 7242
Fax No.: +91 – 22 – 2207 2620
Contact Person: Mr. Pawan Gattani
Email: pawan@maheshwariandco.in
Website: www.maheshwariandco.in

Bankers to our Company**State Bank of India**

Industrial Finance Branch
SV Road, Malad(w)
Mumbai- 400064
Tel No.: +91 – 22 – 2883 8733 / 2880 1637 / 5594
Fax No.: +91 – 22 – 2882 7773
Contact Person: Mr. Jayaram P
Email: sbi.04760@sbi.co.in
Website: www.sbi.co.in

Bankers to the Issue / Escrow Collection Banks

[•] (to be appointed later)

Refund Banker to the Issue

[•] (to be appointed later)

Self Certified Syndicate Banks

The list of Banks that have been notified by SEBI to act as SCSBs for the ASBA process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSBs collecting the ASBA Application Forms, kindly refer to the above mentioned SEBI link.

Brokers to the Issue

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

Statement of Inter-se Allocation of Responsibilities

Aryaman Financial Services Limited is the Sole Lead Manager to this issue, and hence is responsible for all the issue management related activities.

Monitoring Agency

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the issue size is below ₹ 50000 lacs. Since the Issue size is below ₹ 50000 lacs, our Company has not appointed a 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.

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.

Trustees

This being an Issue of Equity Shares, the appointment of trustees is not required.

Details of the Appraising Authority

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

Credit Rating

This being an Issue of Equity Shares, no credit rating is required.

Expert Opinion

Except the report of the Statutory Auditor of our Company on the financial statements and Statement of Tax Benefits included in this Draft Prospectus, our Company has not obtained any other expert opinion.

Underwriting

This Issue is 100% Underwritten. The Underwriting agreement is dated August 08, 2013. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of Shares Underwritten	Amount Underwritten (₹ in lacs)	% of the Total Issue Size Underwritten
Aryaman Financial Services Ltd. 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.), Fort, Mumbai – 400 001 Tel. No.: +91 – 22 – 2261 8264 Fax No.: +91 – 22 – 2263 0434 Email: ipo@afsl.co.in	17,04,000	426.00	94.04%

Details of the Underwriter	No. of Shares Underwritten	Amount Underwritten (₹ in lacs)	% of the Total Issue Size Underwritten
Aryaman Broking Ltd. 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.), Fort, Mumbai – 400 001 Tel. No.: +91 – 22 – 2261 8264 Fax No.: +91 – 22 – 2263 0434 Email: aryabroking@gmail.com	1,08,000	27.00	5.96%
Total	18,12,000	453.00	100.00%

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

Details of the Market Making Arrangement for this Issue

Our Company and the Lead Manager, Aryaman Financial Services Limited have entered into an agreement dated August 08, 2013 with the following Market Maker to fulfill the obligations of Market Making:

Name:	Aryaman Broking Ltd.
Address:	713A, P.J.Towers, Dalal Street, Fort, Mumbai – 400001
Tel. No.:	+91 22 22721104
Fax No.:	+91 22 22721105
E-mail:	aryabroking@gmail.com
SEBI Registration No.:	INB011465938
Market Maker Registration No.:	SMEMM0651421122012

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 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 shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker 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. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and BSE SME Platform from time to time.

4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
5. 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.
6. 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.
7. The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.
8. 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.
9. The Market Maker shall have the right to terminate said arrangement by giving a three months notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.

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 particulars 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.

10. **Risk containment measures and monitoring for Market Maker:** 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.
11. **Punitive Action in case of default by Market Maker:** 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.

12. **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 ₹ 25000 lacs, the applicable price bands for the first day shall be:

- a. 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.
- b. 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.
- c. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading.

The following spread will be applicable on the BSE SME Exchange/ Platform:

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

13. All the above mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

CAPITAL STRUCTURE

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

(₹ in lacs, except share data)

Sr. No.	Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
A	Authorised Share Capital		
	1,00,00,000 Equity Shares of face value of ₹ 10 each	1000.00	-
B	Issued, Subscribed & Paid-up Share Capital before the Issue		
	46,50,000 Equity Shares of face value of ₹ 10 each	465.00	-
C	Present Issue in terms of this Draft Prospectus*		
	18,12,000 Equity Shares of ₹ 10 each at a premium of ₹ 15 per Equity Share	181.20	453.00
	Which Comprises		
(I)	1,08,000 Equity Shares of ₹ 10 each at a premium of ₹ 15 per Equity Share reserved as Market Maker Portion	10.80	27.00
(II)	Net Issue to Public of 17,04,000 Equity Shares of ₹ 10 each at a premium of ₹ 15 per Equity Share to the Public	170.40	426.00
	Of Which		
	8,52,000 Equity Shares of ₹ 10 each at a premium of ₹ 15 per Equity Share will be available for allocation for Investors of upto ₹ 2.00 lacs	85.20	213.00
	8,52,000 Equity Shares of ₹ 10 each at a premium of ₹ 15 per Equity Share will be available for allocation for Investors of above ₹ 2.00 lacs	85.20	213.00
D	Post Issue Issued, Subscribed & Paid-up Share Capital		
	64,62,000 Equity Shares of ₹ 10 each	646.20	
E	Share Premium Account		
	Before the issue		27.50
	After the Issue		299.30

**The present issue has been authorized pursuant to a resolution passed by our Board on January 21, 2013 and by Special Resolution passed under Section 81(1A) of the Companies Act, 1956 at an Extra ordinary General Meeting of our shareholders held on March 02, 2013.*

Classes of Shares

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

Changes in Authorized Share Capital

Sr. No	Date	Particulars	Authorised Share Capital (₹)	No. of Shares	Face Value (₹)
1	July 28, 1995	Incorporation	₹ 5 lacs	5,000	100
2	March 12, 2009	Increase	From ₹ 5 lacs to ₹ 25 lacs	25,000	100
3	November 11, 2009	Increase	From ₹ 25 lacs to ₹ 100 lacs	1,00,000	100
4	December 02, 2009	Increase	From ₹ 100 lacs to ₹ 400 lacs	4,00,000	100
5	March 02, 2013	Sub-division	Sub-division of 4,00,000 equity shares of ₹ 100 each into 40,00,000 equity shares of ₹ 10 each	40,00,000	10
6	March 02, 2013	Increase	From ₹ 400 lacs to ₹ 1000 lacs	1,00,00,000	10

Notes to the Capital Structure:

1. Share Capital History of our Company:

a) Equity Share Capital

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

Date of Allotment of fully Paid-up Shares	Number of Equity Shares Allotted	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Nature of Consideration	Cumulative No. of Shares Allotted	Cumulative Paid Up Share Capital (₹)	Cumulative Share Premium (₹)
July 28, 1995	50	100	100	Subscription to MoA	Cash	50	5,000	-
March 31, 1997	500	100	100	Further Allotment	Cash	550	55,000	-
December 10, 2002	450	100	100	Further Allotment	Cash	1,000	1,00,000	-
November 12, 2009	15,000	100	-	Bonus Issue ⁽¹⁾	Bonus Issue	26,000	26,00,000	-
November 12, 2009	10,000	100	100	Further Allotment	Cash	11,000	11,00,000	-
March 31, 2010	1,84,000	100	100	Further Allotment	Cash	2,10,000	2,10,00,000	-
April 2, 2012	20,000	100	200	Further Allotment	Cash	2,30,000	2,30,00,000	20,00,000
February 05, 2013	2,500	100	400	Further Allotment	Cash	2,32,500	2,32,50,000	27,50,000
March 02, 2013	-	-	-	Split of Equity Shares from the face value	Nil	23,25,000	2,32,50,000	-

Date of Allotment of fully Paid-up Shares	Number of Equity Shares Allotted	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Nature of Consideration	Cumulative No. of Shares Allotted	Cumulative Paid Up Share Capital (₹)	Cumulative Share Premium (₹)
				of ₹ 100 to ₹ 10 ⁽²⁾				
August 10, 2013	23,25,000	10	0	Bonus Issue ⁽³⁾	Bonus Issue	46,50,000	4,65,00,000	-

Notes:

⁽¹⁾ Bonus Equity Shares have been issued to the existing shareholders as on November 12, 2009 in the ratio of 15 (Fifteen) Equity Shares for each 1 (One) Equity Shares held by them, by capitalizing Profit & Loss Account. The relevant provisions of the Companies Act have been complied with w.r.t the bonus issues.

⁽²⁾ Equity Share of ₹ 100 each sub-divided in Equity Shares of ₹ 10 each, pursuant to a special resolution passed in the EGM on March 02, 2013.

⁽³⁾ Bonus Equity Shares have been issued to the existing shareholders as on August 10, 2013 in the ratio of 1 (One) Equity Shares for each 1 (One) Equity Shares held by them, by capitalizing a sum of ₹ 2,32,50,000 from the Company's Reserve and Surplus. The relevant provisions of the Companies Act have been complied with w.r.t the bonus issues.

b) Shares allotted for consideration other than cash

The following shares were allotted for consideration other than cash:

Date of Allotment of fully Paid-up Shares	Number of Equity Shares Allotted	Face Value (₹)	Issue Price (₹)	Nature of Allotment (Reasons for Issue / Benefits to issuer)	Nature of Consideration	Allotted person
November 12, 2009	15,000	100	0	Bonus Issue in the ratio of 15:1	Bonus	Allotted to Shivshankar Lature, Gurushantappa Lature, Somnath Lature, Vivek Lature and Arvind Lature
August 10, 2013	23,25,000	10	0	Bonus Issue in the ratio of 1:1	Bonus	Allotted to all the existing Shareholders of the Company

Notes:

1. Bonus Equity Shares have been issued to the existing shareholders as on November 12, 2009 in the ratio of 15 (Fifteen) Equity Shares for each 1 (One) Equity Shares held by them, by capitalizing Profit & Loss Account. The relevant provisions of the Companies Act have been complied with w.r.t the bonus issues.
2. Bonus Equity Shares have been issued to the existing shareholders as on August 10, 2013 in the ratio of 1 (One) Equity Shares for each 1 (One) Equity Shares held by them, by capitalizing a sum of ₹ 2,32,50,000 from the Company's Reserve and Surplus. The relevant provisions of the Companies Act have been complied with w.r.t the bonus issues.

- c)** No shares have been allotted in terms of any scheme approved under sections 391-394 of the Companies Act, 1956.

d) No bonus shares have been issued out of Revaluation Reserves.

e) No shares have been issued at a price lower than the Issue Price within the last one year from the date of this Draft Prospectus except as mentioned below:

Date of Allotment of fully Paid-up Shares	Number of Equity Shares Allotted	Face Value (₹)	Issue Price (₹)	Nature of Allotment (Reasons for Issue / Benefits to issuer)	Nature of Consideration	Allotted person
August 10, 2013	23,25,000	10	0	Bonus Issue in the ratio of 1:1	Bonus	Allotted to all the existing Shareholders of the Company

f) History & Share Capital Build-up of our Promoter

Set forth below are the details of the build-up of shareholding of our Promoter – Mr. Shivshankar Lature:

Date of Allotment / Transfer	Allotment / Transfer	Consideration	No. of Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital
On Incorporation	Subscription to MOA	Cash	10	100	100	Negligible	Negligible
March 31, 1997	Allotment	Cash	500	100	100	0.01%	0.01%
December 10, 2002	Allotment	Cash	450	100	100	0.01%	0.01%
November 12, 2009	Allotment	Cash	9,600	100	100	0.21%	0.15%
November 12, 2009	Allotment	Bonus	14,400	100	0	0.31%	0.22%
March 31, 2010	Allotment	Cash	1,76,640	100	100	3.80%	2.73%
March 02, 2013	Split of Equity Shares	Nil	20,16,000	10	0	43.35%	31.20%
August 10, 2013	Allotment	Bonus	20,16,000	10	0	43.35%	31.20%
Total			40,32,000			86.71%	62.40%

Notes:

- None of the shares belonging to our Promoters have been pledged till date.
- The entire Promoters' shares shall be subject to lock-in from the date of listing of the equity shares issued through this Draft Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations. For details please see Note no. 2 of "Capital Structure" beginning on page 50 of this Draft Prospectus.

g) None of the members of the Promoter Group, Directors and their immediate relatives have entered into any transactions in the Equity shares of our Company within the last six months from the date of this Draft Prospectus, except as disclosed above.

- h)** None of the members of the Promoter Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company other than in the normal course of business of the financing entity within the period of six months immediately preceding the date of this Draft Prospectus.

2. Promoters Contribution and Other Lock-In details:

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

Pursuant to the Regulation 32(1) and 36(a) of the SEBI (ICDR) Regulations, an aggregate of 20% of the Post-Issue Equity Share Capital of our Company shall be locked-in for a period of three years from the date of Allotment of Equity Shares in this Issue. The lock-in of the Equity Shares 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 Promoter and Promoter's Group 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 this Draft Prospectus until the commencement of the lock-in period specified above.

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

Name of Promoter	No. of Shares	As a % of Post Issue Share Capital
Mr. Shivshankar Lature	12,92,400	20.00
Grand Total	12,92,400	20.00%

For details on the date of Allotment of the above Equity Shares, the nature of Allotment, face value and the price at which they were acquired by Mr. Shivshankar Lature, please see Note 1(f) under "Notes to Capital Structure" beginning on page 50 of this Draft Prospectus.

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 this Draft Prospectus at a price lower than the Issue Price, except the bonus shares issued.

- e) have not been issued to our Promoters on conversion of Partnership Firms into Limited Companies.
- f) include those for which specific written consent has been obtained from the shareholders for inclusion of their subscription in the minimum Promoters' Contribution subject to lock-in.
- g) does not include Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.

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.

We further confirm that our Promoters' Contribution of 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds.

a) Details of Shares locked-in for one year:

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

3. Pre-Issue and Post Issue Shareholding of our Promoters and Promoters' Group

Set forth is the shareholding of our Promoters and Promoters' Group before and after the proposed issue:

Sr. No.	Name of Shareholder	Pre-Issue		Post-Issue	
		No. of Equity Shares	as a % of Issued Equity	No. of Equity Shares	as a % of Issued Equity
A	Promoter				
1	Shivshankar Lature	40,32,000	86.71%	40,32,000	62.40%
	<i>Total (A)</i>	<i>40,32,000</i>	<i>86.71%</i>	<i>40,32,000</i>	<i>62.40%</i>
B	Promoter Group & Relatives				
1	Gurushantappa Lature	42,000	0.90%	42,000	0.65%
2	Somnath Lature	42,000	0.90%	42,000	0.65%
3	Vivek Lature	42,200	0.91%	42,200	0.65%
4	Arvind Lature	41,800	0.90%	41,800	0.65%
	<i>Total (B)</i>	<i>1,67,800</i>	<i>3.61%</i>	<i>1,67,800</i>	<i>2.60%</i>
Grand Total (A+B)		4,200,000	90.32%	4,200,000	65.00%

4. The top ten shareholders of our Company and their Shareholding is as set forth below:

- a. The top ten Shareholders of our Company as on the date of this Draft Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1	Shivshankar Lature	40,32,000	86.71%
2	Rajkumar Gurbaxani jointly with Omprakash Gurbaxani	4,00,000	8.60%
3	Vivek Lature	42,200	0.91%
4	Somnath Lature	42,000	0.90%
5	Gurushantappa Lature	42,000	0.90%
6	Arvind Lature	41,800	0.90%
7	Bashwaraj Ghawale	25,000	0.54%
8	Ramlinga Ghawale	25,000	0.54%
Total		46,50,000	100.00%

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

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1	Shivshankar Lature	40,32,000	86.71%
2	Rajkumar Gurbaxani jointly with Omprakash Gurbaxani	4,00,000	8.60%
3	Vivek Lature	42,200	0.91%
4	Somnath Lature	42,000	0.90%
5	Gurushantappa Lature	42,000	0.90%
6	Arvind Lature	41,800	0.90%
7	Bashwaraj Ghawale	25,000	0.54%
8	Ramlinga Ghawale	25,000	0.54%
Total		46,50,000	46,50,000

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

Sr. No.	Particulars	No. of Shares*	% of Shares Pre- Issue Share Capital
1	Shivshankar Lature	2,01,600	96.00%
2	Vivek Lature	2,110	1.00%
3	Somnath Lature	2,100	1.00%
4	Gurushantappa Lature	2,100	1.00%
5	Arvind Lature	2,090	1.00%
Total		2,10,000	4.52%

*Face value of the shares was ₹ 100.

5. Neither the Company, nor its Promoter, Directors and the Lead Manager have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person.
6. None of our Directors or Key Managerial Personnel hold Equity Shares in the Company, except as stated in the chapter titled "Our Management" beginning on page 123 of this Draft Prospectus.
7. There have been no purchase or sell of Equity Shares by the Promotes, Promoter's Group and the Directors during a period of six months preceding the date on which the Draft Prospectus is filed with the Designated Stock Exchange.
8. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in "Issue Procedure – Basis of Allotment" on page 233 of this Draft Prospectus.
9. 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.

- 10.** An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
- 11.** Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines
- 12.** 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.
- 13.** As on date 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.
- 14.** On the date of this Draft Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoter or shareholders or any other person any option to receive Equity Shares after the Issue.
- 15.** There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
- 16.** Since the entire application money is being called on application, all successful applications, shall be issued fully paid up shares only. Also, as on the date of this Draft Prospectus the entire pre-issue share capital of the Company has been made fully paid up.
- 17.** 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 months commencing from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares or securities convertible into Equity Shares, whether on a preferential basis or issue of bonuses or rights or further public issue of specified securities or Qualified Institutional Placement.
- 18.** We have not issued any Equity Shares out of revaluation reserves. We have not issued any Equity Shares for consideration other than cash except as stated in this Draft Prospectus.
- 19.** As on date of this Draft Prospectus, there are no outstanding ESOP's, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOP's till date.
- 20.** Our Company shall ensure that transactions in the Equity Shares by our Promoter and our Promoter's Group between the date of this Draft Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
- 21.** The Lead Manager and its associates do not directly or indirectly hold any shares of the Company.

- 22.** Our Company has 8 (eight) shareholders, as on the date of this Draft Prospectus.
- 23.** Our Company has not revalued its assets since incorporation.
- 24.** Our Company has not made any public issue or rights issue since its incorporation.
- 25.** 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.

26. Shareholding Pattern of the Company

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

Category Code	Category of shareholder	Pre-Issue					Shares Pledged or otherwise encumbered	
		No. of shareholders	Total number of shares	No. of shares held in demat form	Total shareholding as a % of total number of shares		No. of equity shares	As a %
					As a % of (A+B)	As a % of (A+B+C)		
(A)	Promoter and Promoter Group							
-1	Indian							
(a)	Individuals/ Hindu Undivided Family	5	42,00,000	-	90.32%	90.32%	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-
	<i>Sub-Total (A)(1)</i>	<i>5</i>	<i>42,00,000</i>	<i>-</i>	<i>90.32%</i>	<i>90.32%</i>	<i>-</i>	<i>-</i>
-2	Foreign							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-	-
	<i>Sub-Total (A)(2)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+ (A)(2)	5	42,00,000	-	90.32%	90.32%	-	-
(B)	Public shareholding							
-1	Institutions							
(a)	Mutual Funds/UTI	-	-	-	-	-	-	-
(b)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	-	-	-	-	-	-	-

Category Code	Category of shareholder	Pre-Issue					Shares Pledged or otherwise encumbered	
		No. of shareholders	Total number of shares	No. of shares held in demat form	Total shareholding as a % of total number of shares		No. of equity shares	As a %
					As a % of (A+B)	As a % of (A+B+C)		
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-
(h)	Nominated investors (as defined in Chapter XB of SEBI (ICDR) Regulations)	-	-	-	-	-	-	-
(i)	Market Makers	-	-	-	-	-	-	-
(j)	Any Other (specify)	-	-	-	-	-	-	-
	<i>Sub-Total (B)(1)</i>	-	-	-	-	-	-	-
-2	Non-institutions							
(a)	Bodies Corporate	-	-	-	-	-	-	-
	Individuals –						-	-
(b)	i. Individual shareholders holding nominal share capital up to ₹ 1 lac	-	-	-	-	-	-	-
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lac	3	4,50,000	-	9.68%	9.68%	-	-
(c)	Any Other (specify)	-	-	-	-	-	-	-
	<i>Sub-Total (B)(2)</i>	-	-	-	-	-	-	-
	Total Shareholding Public (B)= (B)(1)+ (B)(2)	-	-	-	-	-	-	-
	TOTAL (A)+(B)	8	46,50,000	-	100.00%	100.00%	-	-
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	8	46,50,000	-	100.00%	100.00%	-	-

OBJECTS OF THE ISSUE

The Object of the Issue is to raise funds for:

- Installation of 10 new Roof Top Poles;
- Installation of 100 new Ground Based Poles;
- Upgradation and replacement of existing Towers and Poles; and
- Issue related Expenses.

Further, we expect to receive the benefits of listing on the SME Platform of BSE Ltd.

The Main Objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by the Company through the Present Issue.

Fund Requirements

The funds raised from the Issue are to be utilized as shown below:

Sr. No.	Particulars	Amount (₹ in lacs)
1	Installation of 10 new Roof Top Poles	100.00
2	Installation of 100 new Ground Based Poles	200.00
3	Upgradation and replacement of existing Towers and Poles	100.00
4	Issue related Expenses	53.00
TOTAL		453.00

Means of Finance

The above mentioned fund requirements are to be financed as shown below:

Sr. No.	Particulars	Amount (₹ in lacs)
1	Proceeds from the IPO	453.00
TOTAL		453.00

** Since the entire fund requirements are to be financed from the IPO Proceeds, there is no requirement to make firm arrangements of finance under Regulation 4(2)(g) of the SEBI Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Issue.*

The fund requirement and deployment is based on internal management estimates and quotations received from external product/service providers/vendors and have not been appraised by any bank or financial institution. In view of the competitive environment of the industry in which our Company operates as well as the competitive nature of the industry in which the sharing operators function, our Company may have to revise its business plan from time to time and consequently its capital requirements may also change. Our Company's historical capital expenditure may not be reflective of its future capital expenditure plans. We may have to revise our estimated costs, fund allocation and fund requirements owing to factors such as economic and business conditions, increased competition and other external factors which may not be within the control of the Company's management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

Please see the chapter titled “*Risk Factors*” beginning on page 11 of this Draft Prospectus for further details on the risks involved in our expansion plans and executing our business strategies.

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

In case of delays in raising funds from the Issue, the company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

Details of the Fund Requirements

1. Installation of 10 new RTPs

Our Company proposes to deploy an aggregate amount of ₹ 100.00 lacs to install 10 new Roof Top Poles in Uttarakhand during Fiscal 2013 and 2014. The break-up of new towers that are proposed to be installed across these locations and other technical parameters are as shown below:

Region	No. of RTPs	Technical Specifications
Uttarakhand	10	We intend to install RTPs with a height of 15 mtrs along with Civil and Electrical Meter, as suggested by the Structural Engineer. Accordingly, we have obtained structural stability by considering the wind speed of 180 km to cater the technology by GSM /CDMA.

Cost estimation for setting up these 10 RTPs:

Region	No. of RTPs	Cost per RTP (₹ in lacs)*	Total Cost (₹ in lacs)
Uttarakhand	10	10.00	100.00

****The cost estimates for RTT's is as set forth below:***

Particulars	Qty	Rate	Amount (₹ in lacs)
Site Acquisition	1	5000	0.05
Structural Stability Certificate	1	10000	0.10
Foundation & Civil Work	1	125000	1.25
15 Mtr Tower	2500	70	1.75
Shelter (3.5 Mtr x 2.5 Mtr)	1	50000	0.50
Power Plant (DC)	1	250000	2.50
Erection of Tower (21 Mtr)	2.8bm	3000 per ton	0.06
Shelter	1	10000	0.10

Particulars	Qty	Rate	Amount (₹ in lacs)
Int./Ext. Electric (incl. earthing)			
- Material	1	50000	0.50
- Labour (Charges)	1	10000	0.10
15 KVA D.G. (Optional)	1	225000	2.25
Electricity Board with liaisoning	1	30000	0.30
NOC from Municipal Corporation	1	30000	0.30
Consultancy Charges for Tower Foundation & Design & Drawing	1	24000	0.24
Total			10.00

Source: Estimate of M/s. Noble Geo-Structs, Civil and Structural Engineers

The actual amount spent on installation of any given RTP as well as the total estimated cost for setting up RTPs may vary depending on the final number of poles installed, location, specification, additional equipments and prevailing installation cost at the time of installation. Our Company does not propose to utilise the Proceeds of the Issue to procure any "second-hand" equipment.

Schedule of Implementation:

The proposed installation of the aforementioned 10 new RTPs in Uttarakhand is proposed to be completed in Fiscal 2014.

2. Installation of 100 new Ground Based Poles

The Company proposes to deploy an aggregate amount of ₹ 200.00 lacs to install 100 new Ground Based Poles in Mumbai and Bangalore during Fiscal 2013 and 2014. These new Poles are proposed to be installed on MMRDA – Skywalks, Foot over Bridges and Flyovers. The break-up of new poles that are proposed to be installed across these locations and other technical parameters are as shown below:

Region	No. of RTTs	Technical Specifications
Mumbai	50	We intend to install Poles with a height of 7 mtrs along with Civil and Electrical Meter, as suggested by the Structural Engineer. Accordingly, we have obtained structural stability by considering the wind speed of 180 km to cater the technology by GSM /CDMA.
BEST	50	
Total	100	

Cost estimation for setting up these 100 Ground Based poles:

Region	No. of Poles	Cost per Pole (₹ in lacs)	Total Cost (₹ in lacs)	Remarks
Mumbai	50	2.00	100.00	Cost estimates are explained below
BEST	50	2.00	100.00	
Total	100		200.00	

The cost estimates for Ground Based Poles is as set forth below:

Particulars	Qty	Rate	Amount (₹ in lacs)
Supply of 7 mtr Pole with Civil Work	1	0.50	0.50
EB Deposit & liaisoning		0.25	0.25
UPS with backup	1	0.75	0.75
Int./Ext. Electric with Labour	Per site	0.30	0.30
Miscellaneous & Taxes & O/H Charges (Transportation loading & Unloading)	Per site	0.20	0.20
Total			2.00

Source: Estimate of M/s. Noble Geo-Structs, Civil and Structural Engineers

The actual amount spent on installation of any given Pole as well as the total estimated cost for setting up all these Poles may vary depending on the final number of poles installed, location, specification, additional equipments and prevailing installation cost at the time of installation. The Company does not propose to utilise the Proceeds of the Issue to procure any "second-hand" equipment.

Installation Schedule:

The proposed Installation Schedule of 200 new poles is as set forth below:

Region	Total Number of Poles proposed to be installed in Fiscal 2013	Total Number of Poles proposed to be installed in Fiscal 2014
Mumbai	0	50
BEST	0	50
Total	0	100

3. Upgradation and Replacement of existing Towers and Poles:

Our Company proposes to deploy an aggregate amount of ₹ 100.00 lacs from the Net Proceeds towards upgradation and replacement on existing towers and poles. Upgradation and replacement on existing towers and poles involves installation of additional equipments to existing towers to enhance capacity and improve specification which allows for additional sharing operators being hosted on the towers and poles. The sites are upgraded with additional battery bank, lower capacity DG sets are replaced with higher capacity DG sets, additional modules for switched mode power supply ("SMPS") are installed based on the capacity of existing SMPS or else replaced, integrated power units or integrated power management systems are either upgraded or replaced. We do not propose to utilise the Net Proceeds of the Issue to procure any "second-hand" equipment. The indicative cost of upgradation based on sharing operators at a particular site is set forth below:

Sr. No.	Particulars	Estimated Cost (₹ in lacs)
1	Upgradation of 30 Towers	50.00
2	Upgradation of 50 Poles	50.00

Replacement of equipment installed at sites is undertaken depending on end of their useful life, equipment becoming faulty, non-repairable or where such equipment cannot be economically repaired. The expected life span of key equipments installed (as listed below) on a site is 7 years.

- ✓ DG Sets
- ✓ Battery Bank
- ✓ Air conditioners
- ✓ Plug-play Cabinet
- ✓ Integrated Power Management System
- ✓ Power plant – rectifier module

4. Issue related Expenses:

The total estimated Issue Expenses are ₹ 50.00 lacs, which is 11.11% of the Issue Size. The details of the Issue Expenses are tabulated below:

Sr. No.	Particulars	Amount (₹ 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.	44.00
2	Printing & Stationery, Distribution, Postage, etc	2.50
3	Advertisement & Marketing Expenses	1.50
4	Regulatory & other expenses	5.00
Total		53.00

The amount set aside towards Issue related Expenses shall be utilized in FY 2012-13 itself.

Appraisal

The fund requirements and deployment detailed above as not been appraised by any bank or financial institution and is based on our internal management estimates.

Monitoring of Utilisation of Funds

As the net proceeds of the Issue will be less than ₹ 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 uses and applications of the Net Proceeds. On an annual basis, the Company shall prepare a statement of funds utilised for the stated purposes and place it before the Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement will be certified by the statutory auditors of the Company.

Interim Use of Funds

The Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, the Company intends to invest the funds in high quality interest-bearing liquid instruments including

money market mutual funds, deposits with banks or liasioning or for reducing overdrafts. The Company confirms that it shall not use the Net Proceeds for any investment in the equity markets.

No part of the Net Proceeds will be paid by the Company as consideration to the Promoter, Directors, members of the Promoter Group, Group Companies, associates or key managerial personnel, except in the normal course of business and in compliance with applicable law.

BASIS FOR ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is ₹ 10 and Issue Price is ₹ 25 per Equity Shares and is 2.5 times of the face value. Investors should read the following basis with the sections titled "Risk Factors" and "Financial Information" and the chapter titled "Our Business" beginning on pages 11, 142 and 97 respectively, of this Draft Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

Qualitative Factors

Some of the qualitative factors that help differentiate us from our competitors and enable us to compete successfully in our industry are:

- *First mover advantage in the Poles business*
- *Significant infrastructure in place to capture the future growth potential of the telecommunications sector*
- *Significant project execution, operational and management experience*
- *Established relationship with our clients*
- *Environment, Safety and Health policy / "Go Green" technology*

For further details regarding the above mentioned factors, which form the basis for computing the Issue Price, please see "Our Business" on page 97 of this Draft Prospectus.

Quantitative Factors

Information presented in this chapter is derived from our Restated Financial Statements prepared in accordance with Indian GAAP.

1) Basic Earnings per Share (Basic EPS)

Year ended March 31	Adjusted EPS (Basic and Diluted) (in ₹)	Weight
2013	2.17	3
2012	1.72	2
2011	1.51	1
Weighted Average	1.90	

Notes:

- a. Basic EPS has been calculated as per the following formula:
(Net profit/ (loss) as restated, attributable to Equity Shareholders)/ (Weighted average number of Equity Shares outstanding during the year/period)
- b. Earnings per share calculations are in accordance with Accounting Standard 20 "Earnings per Share" prescribed by the Companies (Accounting Standard) Rules, 2006
- c. The face value of each Equity Share is ₹ 10.

2) Price Earnings Ratio (P/E) in relation to the Issue price of ₹ 25 per share of ₹ 10 each

Particulars	P/E Ratios
P/E ratio based on Adjusted EPS as at March 31, 2013 at the Issue price	11.52
P/E ratio based on Adjusted Weighted Average EPS at the Issue Price	13.09
Industry P/E	

**Currently there is no listed entity operating in our business segment and hence a strict comparison with us is not possible due to significant differences in business models.*

3) Return on Networth (RoNW)

Year ended March 31	RoNW (%)	Weight
2013	17.59%	3
2012	17.26%	2
2011	18.33%	1
Weighted Average	17.60%	

Note: Return on Net worth has been calculated as per the following formula:

Net profit/loss after tax, as restated / Net worth excluding preference share capital and revaluation reserve

4) Minimum Return on Net Worth after Issue needed to maintain the Pre-Issue Basic EPS for the FY 2013-14 (based on Restated Financials) at the Issue Price of ₹ 25 is 11.18%.

5) Net Asset Value (NAV)

Financial Year	NAV (in ₹)
NAV as at March 31, 2013	24.47
NAV as at March 31, 2012	199.47
March 31, 2011	165.05
Issue Price	25
NAV After Issue	21.98

Note: Net Asset Value has been calculated as per the following formula:

Net worth excluding preference share capital and revaluation reserve/ Weighted average number of Equity shares outstanding during the year/ period.

6) Comparison with Industry peers

We are a Category 1 Infrastructure Provider in the Telecommunication Products and Services Industry.

Currently there is no listed entity operating in this particular business segment and hence a strict comparison with us is not possible due to significant differences in business models.

- 7) The Company in consultation with the Lead Manager believes that the issue price of ₹ 25 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 Auditor's Report included in the Offer Document to have more informed view about the investment proposition. The Face Value of the Equity Shares is ₹ 10 per share and the Issue Price is 2.5 times of the face value i.e. ₹ 25 per share.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors,
Suyog Telematics Limited
41, Suyog Industrial Estate,
1st Floor, LBS Marg,
Vikhroli (West)
Mumbai 400 083

Dear Sirs,

Sub: Certification of statement of Possible Tax Benefits in connection with Initial Public Offering by Suyog Telematics Limited ("the Company") under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ("the Regulations")

We, Maheshwari & Co., the statutory auditors of the Company have been requested by the management of the Company having its registered office at the above mentioned address to certify the statement of tax benefits to the Company and to its shareholders as per the provisions of the Income-tax Act, 1961, Wealth-tax Act, 1957, presently in force in India, subject to the fact that 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 the business imperative, the Company may or may not choose to fulfil.

The benefits discussed in the enclosed statement are not exhaustive nor are they conclusive. The contents stated in the annexure are based on the information, explanations and representations obtained from the Company. This statement is only intended to provide general information and to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. The current position is given based on the income tax provisions applicable for the financial year 2013-14.

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

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

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

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

No assurance is given that the revenue authorities/ Courts will concur with the views expressed herein. Our views are based on existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume any responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to

this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We are not liable to any other person in respect of this statement.

This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibilities under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 *and is not to be used, referred to or distributed for any other purpose without our prior written consent.*

**For Maheshwari & Co.
Chartered Accountants
Firm Registration Number – 105834W**

**(KK Maloo)
Partner
Membership Number – 075872**

**Place: Mumbai
Date: 12-08-2013**

ANNEXURE TO THE STATEMENT OF TAX BENEFITS

A. SPECIAL TAX BENEFITS

Special Tax Benefits Available to the Company

There are no special tax benefits available to the Company.

Special Tax Benefits Available to the Shareholders of the Company

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

B. GENERAL TAX BENEFITS

Under the Income Tax Act, 1961 ("the Act")

The following tax benefits shall, interalia, be available to the company and the prospective Shareholders under the Act.

General Tax Benefits Available to the Company

1. The corporate tax rate shall be 30% plus surcharge and education cess thereon. Minimum Alternate Tax ('MAT') rate is 18.5% plus surcharge and education cess thereon of book profits. MAT is also applicable on the profits derived by an undertaking of the company.
2. Subject to compliance of certain conditions laid down in Section 32 of the Act, the Company will be entitled to a deduction for depreciation:
 - a) In respect of tangible assets.
 - b) In respect of intangible assets being in the nature of knowhow, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired after 31st day of March, 1998 at the rates prescribed under Income Tax Rules, 1962.
 - c) In respect of any new machinery or plant (other than ships and aircraft which has been acquired and installed after 31st March, 2005, a further sum of 20% of the actual cost of such machinery or plant will be allowed as a deduction in the year of installation subject to satisfaction of certain conditions.
 - d) Unabsorbed depreciation if any, for an Assessment Year can be carried forward & set off against any sources of income in the same year or any subsequent Assessment Years as per section 32(2) of the Act.
3. Under the provisions of section 35(1) (i) of the Act read with clause (iv) of this subsection, the Company shall be eligible for 100% deduction of any expenditure (not being in the nature of capital expenditure) laid out or expended on scientific research related to the business.
4. Under the provisions of section 35(1) (ii) of the Act, the Company shall be eligible for a weighted deduction of 175% of any sum paid to a research association which has as its object the undertaking of scientific research or to a university, college or other institution to be used for scientific research subject to fulfilment of the prescribed conditions.

5. Under the provisions of section 35(1) (ia) of the Act, the Company shall be eligible for a weighted deduction of 125% of any sum paid to a company to be used by it for scientific purpose, subject to fulfillment of the prescribed conditions.
6. Under the provisions of section 35(1) (iii) of the Act, the Company shall be eligible for a weighted deduction of 125% of any sum paid to a research association which has as its object the undertaking of research in social science or statistical research or to a university]], college or other institution to be used for research in social science or statistical research, subject to fulfillment of the prescribed conditions.
7. Under the provisions of section 35AC of the Act, the Company shall be entitled to deduction of 100% for payment of any sum to a public sector company or to a local authority or to an association or institution approved by the National Committee for carrying out any eligible project or scheme or for any expenditure directly made by it on the eligible project or scheme subject to fulfillment of the prescribed conditions.
8. Under the provisions of section 35CCA of the Act, the Company shall be entitled to deduction of 100% for payment of any sum to an association or institution which has as its object the undertaking of any programme of rural development or training of persons for implementing such programmes approved by the prescribed authority or to a rural development fund or to the National Urban Poverty Eradication Fund set up and notified by the Central Government in this behalf subject to fulfilment of the prescribed conditions.
9. Under the provisions of section 35CCB of the Act, the Company shall be entitled to deduction for any expenditure by way of payment of any sum to an association or institution which has as its object the undertaking of any programme of conservation of natural resources or afforestation or to a fund for afforestation set up and notified by the Central Government subject to fulfilment of the prescribed conditions.
10. Under Section 35D of the Act, the Company is eligible for deduction in respect of specified preliminary expenditure incurred by the Company in connection with extension of its undertaking or in connection with setting up a new unit for an amount equal to 1/5th of such expenses over 5 successive Assessment Years, subject to the conditions and limits specified in the section.
11. Under section 72(1) of the Act, if the net result of the computation is a loss, such loss can be set off against any other income and the balance loss, if any, can be carried forward for 8 consecutive years and set off against business income.
12. Under section 80G of the Act, the Company is entitled to deduction either for whole of the sum paid as donation to specified funds or institutions or fifty percent of sums paid, subject to limits and conditions as provided in the section 80 G (5)
13. Under Section 112 of the Act and other relevant provisions of the Act, long term capital gains [not covered under section 10 (38) of the Act] arising on transfer of a long term capital asset, being listed securities, or specified units, and zero coupon bond, if held for a period exceeding 12 months, shall be taxed at a rate of 20% (plus applicable surcharge, educational cess and secondary & higher education cess on income-tax) after indexation as provided in the second proviso to section 48 or at 10% (plus applicable surcharge, educational cess and secondary & higher education cess on income-tax) (without indexation), at the option of the assessee.

14. Minimum Alternate Tax (MAT) is a minimum tax which a company needs to pay when income-tax payable on the total income as computed under this Act is less than 18.5% of its book profit. Credit is allowable for the difference between MAT paid and the tax computed as per the normal provisions of the Act. MAT credit can be utilized to the extent of difference between any tax payable under the normal provisions and MAT payable for the relevant year. MAT credit in respect of MAT paid prior to AY 2006-07 shall be available for set-off upto 5 years succeeding the year in which the MAT credit initially arose. However, MAT credit in respect of MAT paid for AY 2006-07 or thereafter shall be available for set-off upto 7 years succeeding the year in which the MAT credit initially arose. Further, from AY 2010-2011, MAT credit for MAT paid for AY 2010-11 or thereafter shall be available for set-off upto 10 years succeeding the year in which the MAT credit initially arose.

15. In accordance with Section 115 O of the Act, any amount declared, distributed or paid by the company by way of dividends (whether interim or otherwise) on or after 1 April 2003, whether out of current or accumulated profits shall be charged to income tax at the rate of 15% (plus applicable surcharge and education cess), in addition to the income tax chargeable in respect of the total income of a domestic company for any assessment year.

Further section 115-O of the Act provides that, in order to compute the Dividend Distribution Tax (DDT) payable by a domestic holding Company, the amount of dividend paid by it would be reduced by the dividend received by it from its subsidiary company during the financial year, if:

- The subsidiary company has paid DDT @ 15% (plus applicable surcharge and education cess) on such dividend; and
- The Domestic Company is itself not a subsidiary of any company. For this purpose, a company would be considered as a subsidiary if the domestic company holds more than half of its nominal equity capital.

16. Income earned by the Company by way of dividend referred to in Section 115-O of the Income Tax Act, 1961 received from domestic companies is exempt from tax under section 10(34) of the Act. However, as per section 94(7) of the Act, losses arising from sale/ transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.

Any income received by the Company from distribution made by any mutual fund specified under section 10(23D) of the Act or from the administrator of the specified undertaking or from the administrator of specified company referred to in Section 10(35) of the Act, is exempt from tax in the hands of the Company under section 10(35) of the Act. However, as per section 94(7) of the Act, losses arising from the sale/ redemption of units purchased within three months prior to the record date (for entitlement to receive income) and sold within nine months from the record date, will be disallowed to the extent such loss does not exceed the amount of income claimed exempt.

17. Section 115BBD of Income-tax Act provides for taxation of gross dividends received by an Indian company from a specified foreign company (in which it has shareholding of 26% or more) at the rate of 15% if such dividend is included in the total income for the Financial Year 2013-14 i.e. Assessment Year 2014-15.

18. Long-term capital gain on sale of equity shares or units of an equity oriented mutual fund will be exempt from tax under section 10(38) of the Act provided that the transaction of such sale is chargeable to Securities Transaction Tax ("**STT**"). However, when the company is liable to

tax on book profits under section 115JB of the Act, the said income is required to be included in book profits and taken into account in computing the book profit tax payable under section 115 JB.

19. Under Section 111A of the Act, short-term capital gain on sale of equity shares or units of an equity oriented mutual fund shall be chargeable to tax at the rate of 15% (plus applicable surcharge and Education Cess) provided that transaction of such sale is chargeable to STT.
20. Under the provisions of section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains [not covered under the section 10(38) of the Act] arising on the transfer of long term capital assets by the Company will be exempt from capital gains tax if the capital gain are invested within a period of 6 months from the date of transfer in the bonds redeemable after 3 years and issued by-
 - National Highway Authority of India constituted under section 3 of National Highways Authority of India Act, 1988 on or after the 1st day of April 2006.
 - Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 on or after the 1st day of April, 2006 and notified by the Central Government in the Official Gazette for the purpose of this section

If only part of the capital gain 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 within three year from the date of their acquisition. However as per 1st Proviso to section 54EC(I), the investments made in the long Terms Specified Asset on or after April 1, 2007 by any assesses during the financial year should not exceed 50 Lakhs rupees.

General Benefits Available to person other than company

a) Available to Resident Shareholders

1. Under section 10(34) of the Act, income earned by way of dividend from domestic company referred to in section 115-O of the Act (i.e. dividends declared, distributed or paid on or after 1st April, 2003 by a domestic company) is exempt from income-tax in the hands of the shareholders. However, section 94(7) of the Act provides that the losses arising on account of Sale/transfer of shares purchased up to three months prior to the record date and sold within three months after such date will be disallowed to the extent of dividend on such shares are claimed as tax exempt by the shareholder.
2. Computation of Capital Gains- Capital assets may be categorized into Short Term Capital Assets and Long Term Capital Assets based on the period of holding All capital assets (except shares held in a company or any other listed securities or units of UTI or specified Mutual Fund units) are considered to be long term capital assets if they are held for a period in excess of 36 months. Shares held in a company, any other listed securities, units of UTI and specified Mutual Fund units are considered as long term capital assets if these are held for a period exceeding 12 months. Consequently capital gains arising on sale of shares held in a company or any other listed securities, or units of UTI or specified Mutual Fund units held for more than 12 months are considered as "long term capital gains". 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 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 a substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjust

the cost of acquisition / improvement by a cost inflation index as prescribed from time to time.

3. Under the provisions of section 10(38) of the Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company or unit of an equity oriented Mutual fund (i.e. capital asset held for the period of twelve months or more) entered into on a recognized stock exchange in India after October 1, 2004 on which securities transaction tax has been paid, is exempt. However, from Financial Year 2006-2007, income by way of long-term capital gain of a company shall be taken into account in computing the book profit and income-tax payable under section 115JB of the Act.
4. Under section 111A of the Act, capital gains arising to a shareholder from transfer of short term capital assets, being an equity share in the company or unit of an equity oriented Mutual fund, entered into on a recognized stock exchange in India on which securities transaction tax has been paid will be subject to tax at the rate of 15% (plus applicable surcharge, educational cess and Secondary & Higher Education Cess on income tax).
5. Short-terms capital loss on sale of shares can be set off against any capital gain income, long term or short term, in the same assessment year. It should be noted that such loss can be set off only against capital gain income and not against any other head of income. Balance short-term capital loss, if any, can be carried forward up to eight assessments years. In the subsequent year also, it can be set off against any capital gain income.
6. In terms of Section 88E of the Act, the Securities Transaction Tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of the business would be eligible for rebate from the amount of income-tax (as computed in prescribed manner) on the income chargeable under the head 'Profits and Gains under Business or Profession' arising from taxable securities transactions. No deduction under this section shall be allowed in, or after, AY 2009-2010. However, in such a case, the said securities transaction tax would be allowed as deduction in computing the profits & gains from business or profession under the provisions of section 36(1)(xv) of the Act.
7. Under the provisions of section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains [not covered under the section 10(38) of the Act] arising on the transfer of long term capital assets by the Company will be exempt from capital gains tax if the capital gain are invested within a period of 6 months from the date of transfer in the bonds redeemable after 3 years and issued by:
 - National Highway Authority of India constituted under section 3 of National Highways Authority of India Act, 1988 on or after the 1st day of April 2006.
 - Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 on or after the 1st day of April, 2006 and notified by the Central Government in the Official Gazette for the purpose of this section.

If only part of the capital gain 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 within three year from the date of their acquisition. However as per 1st Proviso to section 54EC(I), the investments made in the long Terms Specified Asset on or after April 1, 2007 by any assessee during the financial year should not exceed 50 Lakhs rupees.

8. Under Section 54F of the Act, where in the case of an individual or Hindu Undivided Family ('HUF') capital gain arise from transfer of long term assets [other than a residential house and those exempt under section 10(38) of the Act] then such capital gain, subject to the

conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of a residential house property within a period of one year before or two year after the date on which the transfer took place or for construction of a residential house property within a period of three years after the date of transfer. If only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced

b) Mutual Funds

Under section 10 (23D) of the Act, all Mutual Funds set up by Public Sector Banks or Public Financial Institutions or Mutual Funds registered under the Securities and Exchange Board of India or authorized by the Reserve Bank of India, subject to the conditions specified therein are eligible for exemption from income-tax on all their income, including income from investment in the equity shares of a company.

c) Venture Capital Companies / Funds

Under section 10 (23FB) of the Act, all venture capital companies / funds registered with Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income-tax on all their income, including income from sale of shares of the company.

Company under the Wealth Tax Act, 1957

Wealth Tax is applicable if the net wealth (as defined) of a company or an individual or HUF exceeds ₹ 30 lacs as on the valuation date (i.e. March 31 of the relevant financial year). Wealth Tax shall be charged in respect of the net wealth of every company or an individual or HUF at the rate of 1% of the amount by which net wealth exceeds ₹ 30 lacs.

Shares of the company held by the shareholders will not treated as an asset within the meaning of Section 2(ea) of the Wealth Tax Act, 1957 and hence Wealth Tax will not be applicable.

d) General Benefits Available to Non Resident Indians/ Members other than FIIs and Foreign Venture Capital Investors

1. By virtue of Section 10 (34) of the Act, income earned by way of dividend income from a domestic company referred to in section 115-O of the Act, is exempt from tax in the hands of the recipients.
2. Under Section 10 (38) of Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company or unit of an equity oriented mutual fund (i.e. capital assets held for the period of twelve months or more) entered into a recognized stock exchange in India after October 1, 2004 on which securities transaction tax has been paid, is exempt. However, from Financial Year 2006-2007, income by way of long-term capital gain, in case of non resident member being a company, shall be taken into account in computing the book profit and income-tax payable under section 115JB of the Act.
3. Under the first proviso to section 48 of the Act, in case of a non resident, in computing the capital gains arising from transfer of shares of the company acquired in convertible foreign exchange (as per exchange control regulations), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case.

4. In terms of Section 88E of the Act, the Securities Transaction Tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of the business would be eligible for rebate from the amount of income-tax (as computed in prescribed manner) on the income chargeable under the head 'Profits and Gains under Business or Profession' arising from taxable securities transactions. No deduction under this section shall be allowed in, or after, AY 2009-2010. However, in such a case, the said securities transaction tax would be allowed as deduction in computing the profits & gains from business or profession under the provisions of section 36(1) (xv) of the Act.
5. Under the provisions of section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains [not covered under the section 10(38) of the Act] arising on the transfer of long term capital assets by the Company will be exempt from capital gains tax if the capital gain are invested within a period of 6 months from the date of transfer in the bonds redeemable after 3 years and issued by:
 - National Highway Authority of India constituted under section 3 of National Highways Authority of India Act, 1988 on or after the 1st day of April 2006.
 - Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 on or after the 1st day of April, 2006 and notified by the Central Government in the Official Gazette for the purpose of this section.

If only part of the capital gain 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 within three year from the date of their acquisition. However as per 1st Proviso to section 54EC(I), the investments made in the long Terms Specified Asset on or after April 1, 2007 by any assesses during the financial year should not exceed 50 Lakhs rupees.

6. Under Section 54F of the Act, where in the case of an individual or Hindu Undivided Family ('HUF') capital gain arise from transfer of long term assets [other than a residential house and those exempt under section 10(38) of the Act] then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of a residential house property within a period of one year before or two year after the date on which the transfer took place or for construction of a residential house property within a period of three years after the date of transfer. If only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced.
7. Under the provisions of section 111A of the Act, capital gains arising to a shareholder from transfer of short terms capital assets, being an equity share in the company or unit of an equity oriented Mutual fund, entered into in a recognized stock exchange in India on which securities transaction tax has been paid will be subject to tax at the rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess on income-tax).
8. Under the provisions of Section 112 of the Act and other relevant provisions of the Act, long term capital gains [not covered under Section 10(38) of the Act] arising on transfer of unlisted shares in the Company, if shares are held for a period exceeding 12 months, shall be taxed at @ 20% (plus surcharge and education cess on income-tax) after indexation as provided in the second proviso to section 48 or (w.e.f. FY 2012-13) at 10% (plus applicable surcharge, educational cess and secondary & higher education cess on income-tax) (without indexation), at the option of the assessee.

9. Under the provisions of section 115E of the Act, capital gains arising to the non-resident Indian 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 a flat rate of 10% (plus applicable surcharge, educational cess and secondary & higher education cess on Income-tax) without indexation benefit but with protection against foreign exchange fluctuation under the first proviso to section 48 of the Act, subject to satisfaction of certain conditions.
10. Under the provisions of section 115F of the Act, long term capital gains [not covered under section 10 (38) of the Act] arising to a non-resident Indian from the 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 of 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.
11. Under the provisions of section 115G of the Act, it shall not be necessary for a non-resident Indian to furnish his return of income if his only source of income is investment income or long term capital gains or both arising out of specified assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted therefrom.
12. Under the provisions of section 115H of the Act, a non-resident Indian (i.e. an individual being a citizen of India or person of India Origin) has an option to be governed by the provision of Chapter XII A of the Act viz. "Special Provisions Relating to certain Income of Non-Resident", even after the assessee becomes a resident, if he furnishes to the Assessing Officer a declaration alongwith the return of income under section 139 of the Act.
13. Under the provision of section 115-I of the Act, a non resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income under section 139 of the Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year and if he does so the provisions of this Chapter shall not apply to him, instead the other provisions of the Act shall apply.
14. As per the provisions of Section 90(2) of the Act, the provisions of the act would prevail over the provisions of DTAA between India and the country in which the shareholder has fiscal domicile to the extent they are more beneficial to the non-resident.

e) General Benefits Available to Foreign Institutional Investors (FIIs)

1. By virtue of section 10(34) of the Act, income earned by way of dividend income from a domestic company referred to in section 115-O of the Act, are exempt from tax in the hands of the institutional investor.
2. Under Section 10(38) of the Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company or unit of an equity oriented mutual fund (i.e. capital asset held for the period of twelve months or more) entered into in a recognized stock exchange in India after October 1, 2004 on which securities transaction tax has been paid, is exempt. However, from Financial Year 2006-2007, the income by way of long- term capital gain of a company shall be taken into account in computing the book profit and income-tax payable under section 115JB of the Act.
3. The provisions of section 36(i)(xv) of the Act allow deduction for STT paid, if the taxable securities transactions are taxable as 'Business Income'.

4. The income realized by FIIs on sale of shares in the company by way of short term capital gains referred to in Section 111A of the Act would be taxed at the rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess on income tax), on which the securities transaction tax has been paid.
5. Under Section 115AD of the Act, capital gain arising on transfer of short term capital assets, being an equity share in a company which is not subject to Securities Transaction Tax will be taxable under the Act at the rate of 30% (plus applicable surcharge, if any and education cess).

Further, as per Section 115AD of the Act, capital gain arising on transfer of long term capital assets, being shares in a company [not covered under Section 10(38) of the Act], are taxed at the rate of 10% (plus applicable surcharge, if any and education cess). Such capital gains would be computed without giving effect to the first and second proviso to Section 48 of the Act. In other words, the benefit of indexation, direct or indirect, as mentioned under the two provisos would not be allowed while computing the capital gains.

6. As per the provisions of Section 90(2) of the Act, the provisions of the act would prevail over the provisions of DTAA between India and the country in which the non-resident has fiscal domicile to the extent they are more beneficial to the non-resident.

Applicability of Wealth Tax Act, 1957

Wealth Tax is applicable if the net wealth (as defined) of a company or an individual or HUF exceeds ₹ 30 lacs as on the valuation date (i.e. March 31 of the relevant financial year). Wealth Tax shall be charged in respect of the net wealth of every company or an individual or HUF at the rate of 1% of the amount by which net wealth exceeds ₹ 30 lacs.

Shares of the company held by the shareholders will not be treated as an asset within the meaning of Section 2(ea) of the Wealth Tax Act, 1957 and hence Wealth Tax will not be applicable.

Notes for consideration

- In respect of non-residents, taxability of capital gains mentioned above shall be further subject to any benefits available under the DTAA, if any between India and the country in which the non-resident has fiscal domicile or any other qualifying criteria.
- The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The following information includes extracts from official and unofficial publicly available information, data and statistics derived from reports prepared by third party consultants, private publications, and industry reports prepared by various trade associations, as well as other sources, which have not been prepared or independently verified by the Company, the Lead Manager, or any of their respective affiliates or advisors. Such information, data and statistics may be approximations or may use rounded numbers. Certain data has been reclassified for the purpose of presentation and much of the available information is based on the Management's best estimates and should therefore be regarded as indicative only and treated with appropriate caution.

While the immediate risk of the fiscal cliff in the US has been averted due to a hurried deal on tax rate hikes, the debt ceiling limit and the sequester issue pertaining to expenditure reduction are still unsettled. Growth in emerging market and developing economies (EMDEs) may have bottomed out, but an enduring recovery hinges on global headwinds.

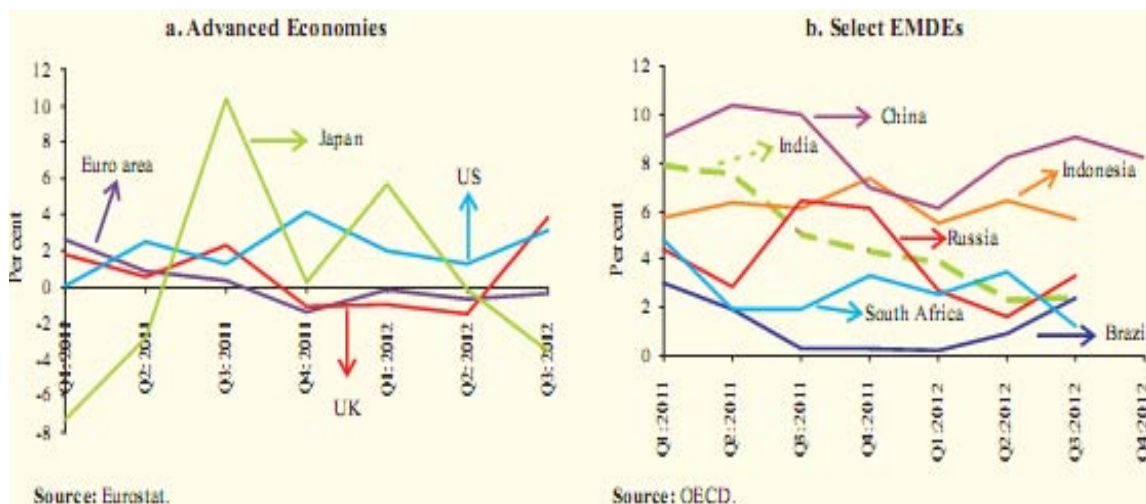
Growth in emerging market and developing economies (EMDEs) turned weaker during Q3 of 2012. However, there are signs of a modest improvement in Q4. China registered its first acceleration in growth in two years in y-o-y terms in Q4 of 2012. Brazil's PMI also showed a marked improvement in November and December 2012. The readings indicate that growth may have bottomed out.

Inflation in AEs is likely to remain moderate as demand remains weak, leaving the global inflation scenario benign in the near term. As a baseline case, improved supply prospects in key commodities such as oil and food are also likely to restrain commodity price pressures. However, upside risks persist, especially on the back of some recovery in EMDEs and large quantitative easing (QE) by AE central banks. In the presence of significant excess global liquidity, triggers for supply disruptions or incremental news flow on reduced slack could exacerbate price volatility and become a source of inflationary pressure.

International financial market stress moderated greatly following aggressive monetary easing measures by the central banks of AEs, as also recent policy initiatives on fiscal consolidation in the euro area economies, encouraging capital flows into EMDEs. However, in the absence of credible long-term fiscal consolidation in the US, and generally reduced fiscal space in AEs, the efficacy of monetary policy actions may get subdued. Risks to the global financial sector, although moderating, are likely to persist.

Labour markets in AEs exhibited a mixed picture in Q4 of 2012. The unemployment rate in the US remained steady at about 7.8 per cent in December 2012 after improvements seen in the preceding quarter. In the UK, the unemployment rate fell by 0.1 percentage points to 7.7 per cent for the period September-October 2012. However, in the euro area the unemployment rate reached a new high of 11.8 per cent in November 2012. The unemployment rate in Spain and Greece exceeds 26 per cent, with youth unemployment rates of about 57 per cent. Such levels clearly impart a socioeconomic constraint to fiscal consolidation programmes to support adjustment and stabilisation in the euro area. As such, risks to global growth emanating from euro area remain significant.

There was a mild improvement in macroeconomic conditions in advanced economies (AEs) in Q3 of 2012. However, the sustainability of this improvement through 2013 remains uncertain in view of the fiscal adjustment agenda facing most AEs.



In the EMDEs, the short-term growth recovery hinges upon the extent to which the external risks relating to escalation of uncertainties in the euro area crisis and the possibility of bumpy fiscal adjustment in the US are averted. Against the backdrop of uncertain growth prospects and generally low and stable inflation, central banks in many EMDEs held or reduced policy rates to low levels in 2012. The need and scope for monetary policy action, however, differs across economies, mainly reflecting varying growth and inflation risks, and risks to financial stability from past stimuli.

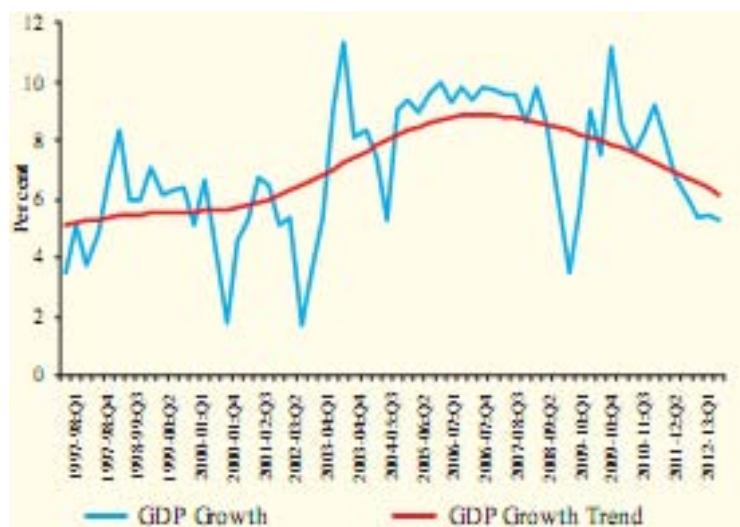
(Source: *Macroeconomic and Monetary Developments Third Quarter Review 2012-13*, published on January 28, 2013)

Overview of the Indian Economy

The Indian economy further decelerated in the first half (H1) of 2012-13, with moderation in all three sectors of the economy. The weak monsoon dented agricultural performance. Policy constraints, supply and infrastructure bottlenecks and lack of sufficient demand continued to keep industrial growth below trend. Subdued growth in other sectors and weak external demand pulled down the growth of services as well. However, a modest recovery may set in from Q4 of 2012-13 as reforms get implemented.

Demand weakened in H1 of 2012-13. There was significant moderation in consumption as private consumption decelerated even as government expenditure accelerated. On the fiscal side, near-term risks have diminished due to the government's repeated avowal of commitment to the revised fiscal deficit target of 5.3 per cent of gross domestic product (GDP) for the year. The CAD to GDP ratio reached a historically high level of 5.4 per cent in Q2 of 2012-13. Low growth and uncertainty in AEs as well as EMDEs continued to adversely impact exports in Q3 of 2012-13. This, combined with continuing large imports of oil and gold, resulted in a deterioration of the trade balance. Strong capital flows have enabled financing of CAD without a significant drawdown of foreign exchange reserves.

Growth in India continued to be subdued I.9 at 5.3 per cent in Q2 of 2012-13 and is likely to remain low in Q3 as well. The slowdown reflects the uncertain global macro-economic environment as well as domestic factors such as low growth in real investment (gross fixed capital formation) and a weak south-west monsoon. Consequently, growth in the first half (H1) of 2012-13 was 5.4 per cent and below trend, compared with growth of 7.3 per cent in H1 of 2011-12, as shown in the illustration below –



Monetary policy in India has sought to balance the growth-inflation dynamics that included a frontloaded policy rate cut of 50 basis points in April 2012 and several liquidity enhancing measures. These included lowering of the cash reserve ratio by 50 bps on top of a 125 bps reduction in Q4 of 2011-12 and the statutory liquidity ratio by 100 bps in a bid to improve credit flows. The Reserve Bank also infused liquidity of over ₹ 1.3 trillion through outright open market operation (OMO) purchases during 2012-13 so far. However, growth in monetary aggregates remains below the indicative trajectory.

Improved global sentiments along with recent policy reforms by the government beginning September 2012, and market expectations of a cut in the policy rate in the face of moderation in inflation, aided FII flows into the domestic market. The equity markets showed significant turnaround, while the rupee remained range-bound. In addition, revival is witnessed in the IPO segment. Although Indian financial market sentiments improved significantly in Q3 of 2012-13, some macroeconomic concerns persist, as witnessed in the inverted yield curve.

Business sentiments remain weak despite reform initiatives and consumer confidence is edging down. The Reserve Bank anticipates a slow recovery in 2013-14 with inflation remaining sticky. Fiscal risks have somewhat moderated in 2012-13, but a sustained commitment to fiscal consolidation is needed to generate monetary space. Widening CAD, which is at historically high level, remains a constraint on monetary easing.

(Source: Macroeconomic and Monetary Developments Third Quarter Review 2012-13, published on January 28, 2013)

The Indian Telecom Sector

Current Growth Scenario

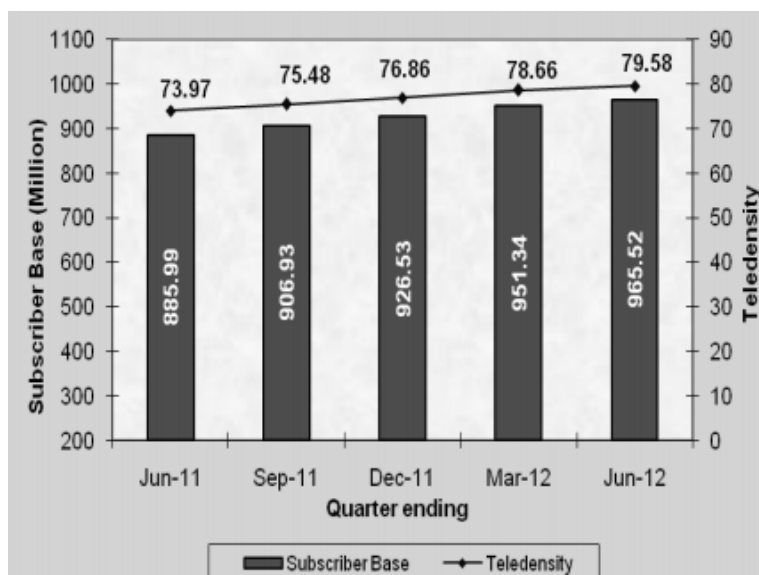
The telecom industry has witnessed significant growth in subscriber base over the last decade, with increasing network coverage and a competition-induced decline in tariffs acting as catalysts for the growth in subscriber base. The number of telephone subscribers in India increased from 951.34 million at the end of Mar-12 to 965.52 million at the end of Jun-12, registering a growth of 1.49% over the previous quarter as against 2.68% during the QE Mar-12. This reflects year-on-year (Y-O-Y) growth of 8.98% over the same quarter of last year. The overall Tele-density in India has reached 79.58 as on 30th June, 2012.

(Source: TRAI – The Indian Telecom Services Performance Indicators)

The Indian mobile services industry has been the fastest growing mobile services market in the world, registering a CAGR of more than 50% in terms of subscribers and 15% in terms of gross revenues over the past decade. The industry is presently the second largest globally by subscriber base with the total subscriber base of 913.5 million as on July 2012. The strong growth in the industry can be attributed primarily to the country's large population, healthy economic growth, affordable handsets, and most importantly low tariffs. Broadband connectivity is increasingly being seen as an integral driver of improved socio-economic performance. Broadband subscription reached 14.50 million in June 2012 from 14.31 million in May 2012.

(Source: TRAI Press Release, August 03, 2012)

The growth in Telephone subscribers and Teledensity in India is illustrated below -



(Source: TRAI – The Indian Telecom Services Performance Indicators)

Subscription in Urban Areas grew from 620.53 million at the end of Mar-12 to 621.76 million at the end of Jun-12; however Urban Teledensity slightly declined from 169.55 to 169.03. Rural subscription increased from 330.82 million to 343.76 million, and Rural Teledensity increased from 39.22 to 40.66. Share of subscription in rural areas out of total subscription increased from 34.77% at the end of Mar-12 to 35.60% at the end of Jun-12.

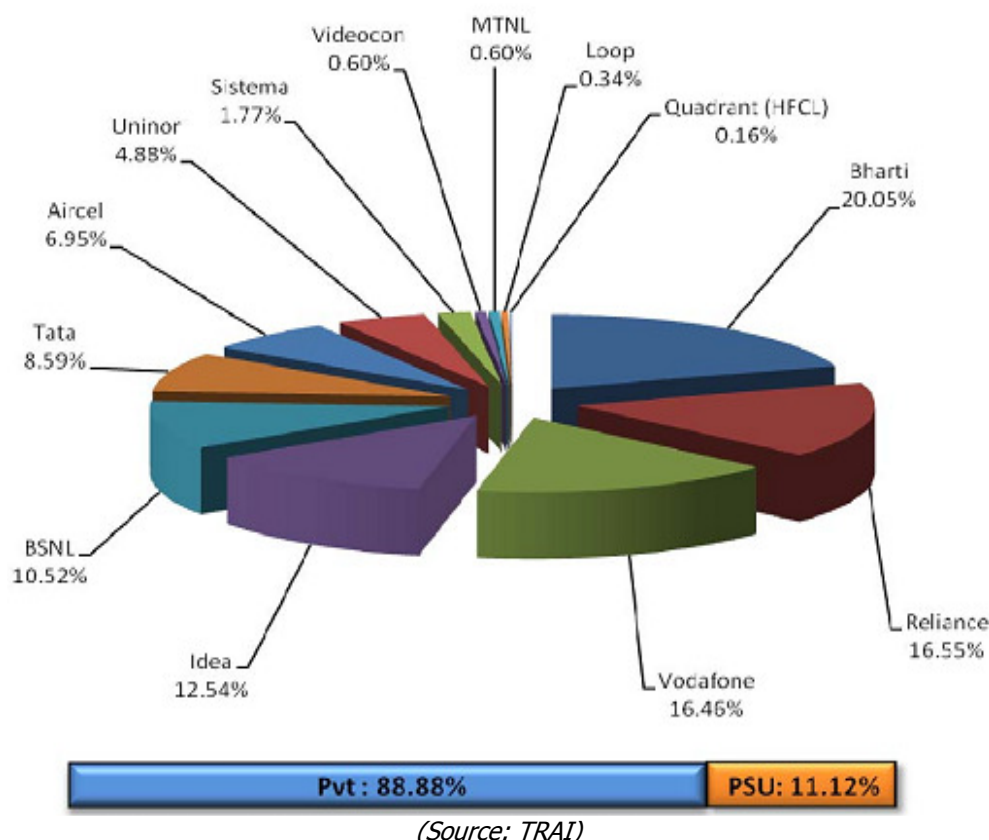
About 91.30% of the total net additions have been in rural areas as compared to 62.39% in the previous quarter. Rural subscription growth rate decreased from 4.91% in QE Mar-12 to 3.91% in QE Jun-12, and urban subscription growth rate declined from 1.53% in QE Mar-12 to 0.20% in QE Jun-12.

Wireless Segment

Total wireless subscriber base increased from 929.37 million in May 2012 to 934.09 million at the end of June 2012, registering a growth of 0.51%. The share of urban wireless subscribers has decreased from 64.24 % to 63.98% where as share of rural wireless subscribers has increased from 35.76% to 36.02%. Wireless subscription in urban areas increased from 596.98 million in May 2012 to 597.59 million at the end of June 2012. The wireless subscription in rural areas increased from 332.38 million

to 336.51 million during the same period. This shows higher growth in rural wireless subscription (1.24%) than urban wireless subscription (0.51%).

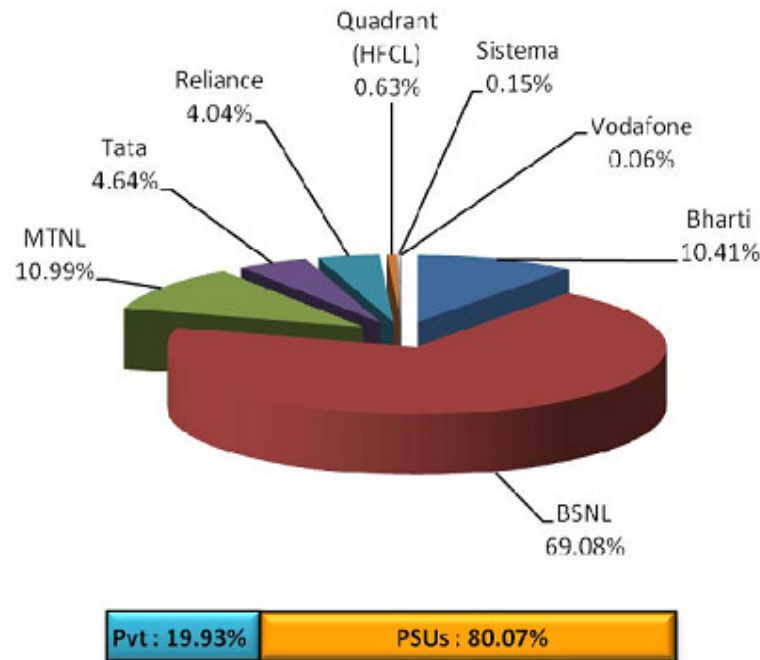
Private operators hold 88.88% of the wireless market share (based on subscriber base) where as BSNL and MTNL, the two PSU operators hold only 11.12% market share. The graphical presentations of market shares and shares in net additions of all the service providers during the month of June 30, 2012 are given below:



Wireline Segment

Wireline subscriber base declined from 31.53 million at the end of May 2012 to 31.43 Million at the end of June 2012. Net reduction in wireline subscriber base was 1.05 lacs. The share of urban subscribers has increased from 76.82% to 76.92% where as share of rural subscribers has declined from 23.18% to 23.08%. The overall wireline Teledensity has marginally decreased from 2.60 in May 2012 to 2.59 in June 2012, with urban and rural Teledensity being 6.57 and 0.86 respectively.

BSNL and MTNL, the two PSU operators hold 80.07% of the Wireline market share. Detailed statistics is at Annexure-III. The graphical presentation of market share of all service providers as on 30th June 2012 is given below:

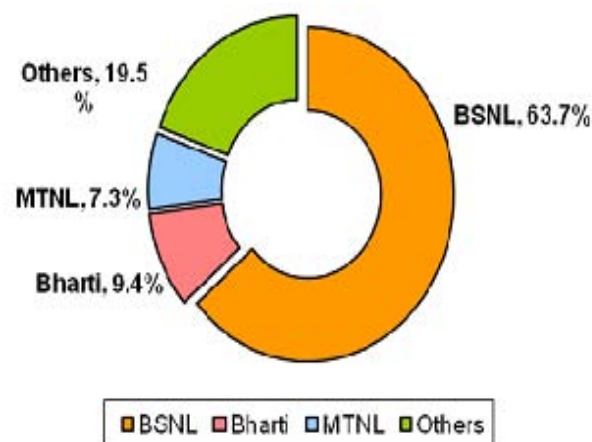


(Source: TRAI)

Broadband Segment

Total Broadband subscriber base has increased from 14.31 million at the end of May 2012 to 14.50 million at the end of June 2012, thereby showing a monthly growth of 1.36%. Yearly growth in broadband subscribers is 17.70% during the last one year (July 2011 to June 2012).

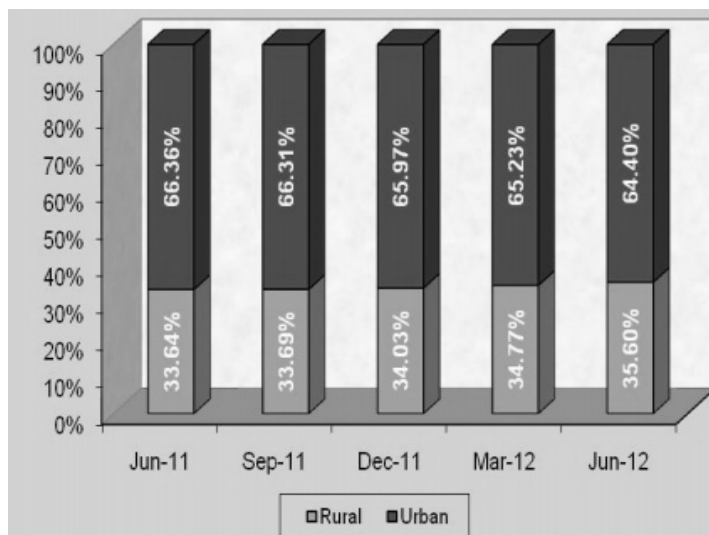
Top five ISPs in terms of market share (based on subscriber base) are: BSNL (9.24 million), Bharti Airtel (1.37 million), MTNL (1.06 million), You Broadband (0.63 million) and Hathway (0.36 million).



(Source: TRAI)

Focus on improving penetration (tele-density) in Rural and Remote areas

The market share of Rural and Urban Subscription is illustrated below -



(Source: TRAI – The Indian Telecom Services Performance Indicators)

Given the fact that the urban areas have significantly high teledensity as compared to the rural areas, much of the incremental subscribers' growth, going forward, would have to be driven by addition of rural subscribers.

Some of the initiatives taken to improve rural telecom penetration are listed below –

- ✓ TRAI has proposed to provide financial support of close to USD 500 MN to cash-strapped BSNL for two years to maintain rural wire-line connections that were installed before April 1, 2002. USOF also launched pilot projects for providing mobile charging stations in 5,000 villages through Tata Energy Research Institute's (TERI's) Project Lighting a Billion Lives (LaBL). Solar mobile charging stations in these 5,000 villages are to be provided in a phased manner over a period of two years from the date of signing of the Agreement. At least 322 villages had been covered by this project until April 30, 2011.
- ✓ The National Broadband Penetration Program (NBPP) aims to power the next million PC and broadband connections in the untapped market space through the Universal Services Obligation Fund (USOF) under DoT, which has granted a subsidy to BSNL for providing wire-line broadband connectivity in rural and remote areas. USOF will be providing a subsidy of close to USD 90 to 100 per broadband connection that BSNL will be rolling out through its existing 27,789 rural and remote telephone exchanges.
- ✓ 224,631 broadband connections have been provided and 5,674 kiosks have been set up in rural and remote areas under Rural Broadband Scheme for expanding wire-line broadband connectivity to village level.
- ✓ One of the measures taken by the Government to increase broadband penetration in rural areas is Bharat Nirman-II, which envisages broadband coverage of all 250,000 GPs by 2012. As of June 2011, 133,712 out of 247,864 GPs had been covered. This broadband connectivity has been established through national optical fiber network (NOFN). For making this possible, Government has approved NOFN for providing broadband connectivity to all panchayats at an approximate cost of \$4 billion in October 2011.

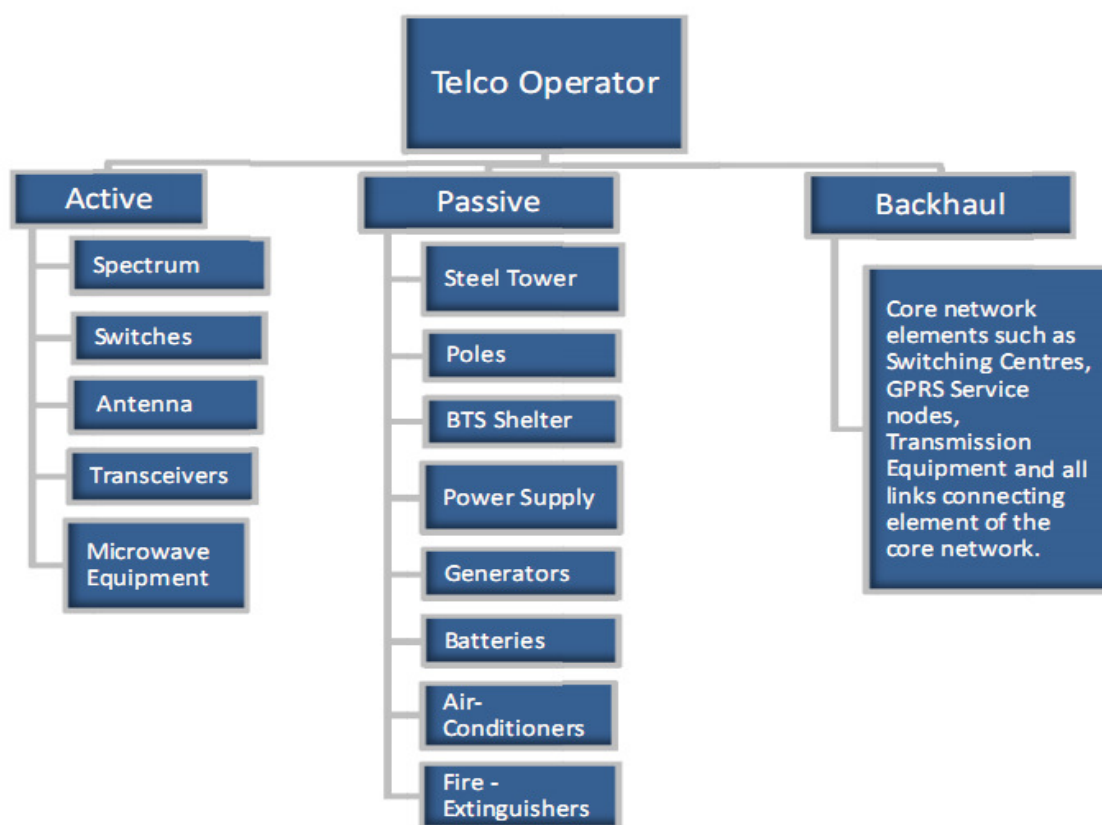
The Telecom Infrastructure Industry

Brief History, Structure and Growth

The Indian Telecom Infrastructure Industry is closely associated with telecom services industry which has witnessed phenomenal growth in the last few years. The Indian telecom success story is built around the wireless segment and telecom infrastructure development has played a vital role in the development of the wireless sector. Earlier, telecom companies used to have their own towers and it was critical in deciding their network connectivity and attracting customers. Later with roll-out of pan-India network, many independent tower companies entered into the market. Some private telecom companies decided to hive off their tower businesses into separate tower entities, to unlock the value. With rising competition in telecom space, telecom players started sharing the telecom infrastructure to expand quickly giving rise to multi-tenancy.

Telecoms infrastructure for operators primarily consists of:

- Active infrastructure
- Passive infrastructure
- Backhaul



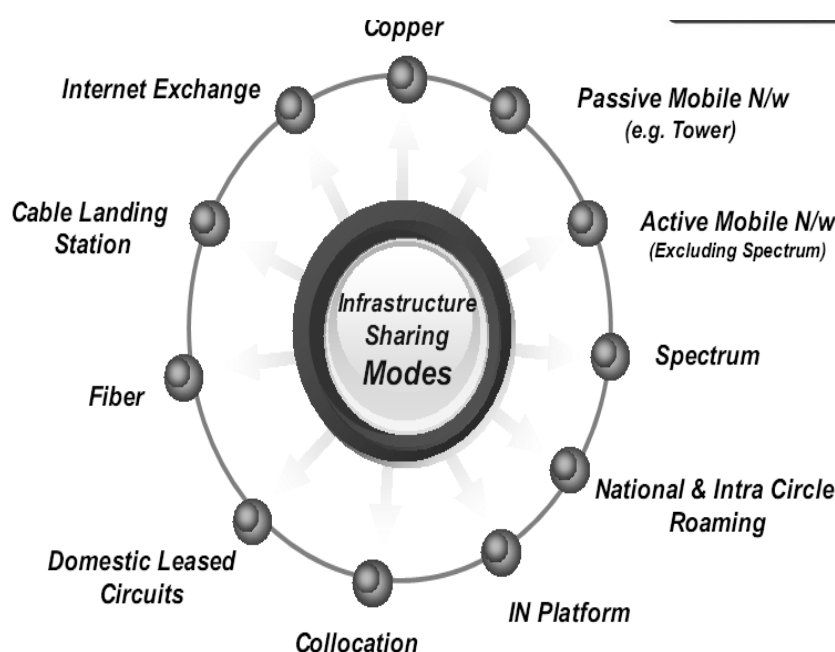
Active Infrastructure Sharing: In the case of active network sharing, two or more operators deploy a completely shared radio network and in some case, a partly shared Core Network. The shared radio network consists of Radio Base Stations, Radio Network Controllers, transmission, site etc. The part of

the core network that is shared consists of the MSC/VLR and SGSN. Active sharing is not allowed by regulation in most of the countries and has to be initiated amongst the operators themselves.

Passive Infrastructure Sharing: Passive infrastructure essentially consists of tower sites and complements the active network infrastructure; while it does not play any role in carrying wireless signals, it is a vital part of any wireless network as it is critical to ensure the active components are operational. Currently the most commonly shared infrastructure among operators is passive infrastructure, as it is easier to contract its set-up and maintenance.

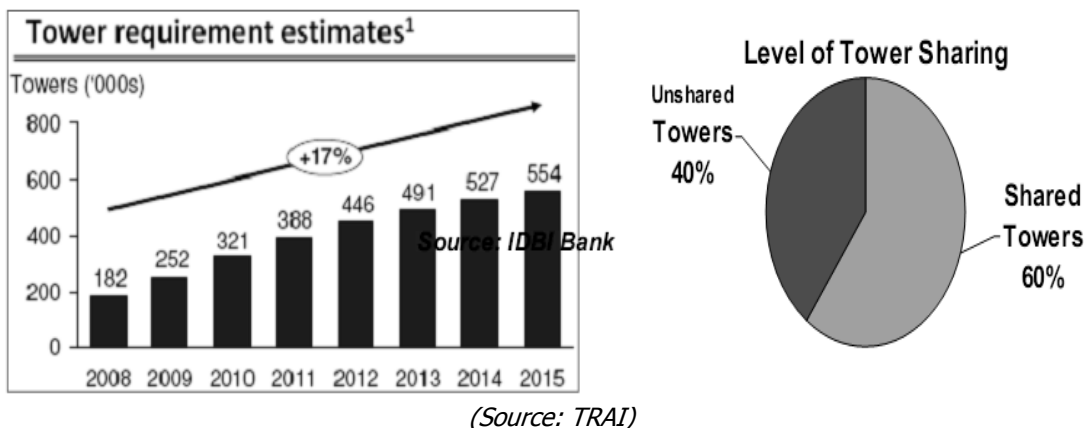
Backhaul: It refers to the backbone that connects the active infrastructure at the tower site with the BSC and MSC. In India, traditionally, wireless operators used microwave as backhaul. However, they are progressively moving to optic-fibre-based links.

The different modes of Infrastructure Sharing are depicted below –



Tower infrastructure is increasingly becoming independent of telecom operators. Currently, there are about 0.3 million Towers, as against the estimated requirement of 0.5 million towers by 2015. About 60% of the existing towers are being shared, having an average tenancy of about 1.5.
(Source: TRAI)

The Tower requirement estimates and the level of Tower Sharing is projected below -



A scheme has been launched by USO Fund to provide subsidy support for setting up and managing 7353 number of infrastructure sites/ towers in 500 districts spread over 27 states for provision of mobile services in the specified rural and remote areas, where there was no existing fixed wireless or mobile coverage. Villages or cluster of villages having population of 2000 or more and not having mobile coverage were taken into consideration for installation of towers under this scheme. The number of towers was subject to change based on actual field survey and coverage achieved thereof as per the terms and conditions of the Agreements. As on December 31, 2011, 7296 towers i.e. about 99.22% have been set up under this scheme. The infrastructure so created is being shared by three service providers for provision of mobile services. As on December 31, 2011, 15686 BTSs (Base Transceiver Stations) have been commissioned by Service Providers and mobile services are being provided.

(Source: DoT – Outcome Budget 2012-13)

Rationale and Benefits of Passive Infrastructure Sharing

The growing capital expenditure and the high operating expenses incurred by each telecom operator on a site ownership basis individually, is driving operators to consider the sharing of infrastructure. Infrastructure sharing is effective in optimizing the utilisation of available resources and helps to bring down the cost of providing telecommunications services. The Department of Telecom has allowed passive infrastructure sharing among operators, which includes sharing of physical sites, buildings, shelters, towers, power supply and battery backup. With sharing, the cost burden on operators reduces significantly, improving the rate of mobile services rollout.

Sharing of infrastructure offers the following key benefits –

- ✓ **Infrastructure spending:** Allows operators to cut down on capital expenditure. Infrastructure cost for operators is estimated to decline by 16% to 20%. The tower companies, on the other hand, derive regular annuity income. Tower sharing can be instrumental in allowing a number of operators to enter remote regions that would normally have very high rollout costs. Ever-increasing demand to roll out 3G/Wimax/LTE networks has been putting a lot of pressure on the infrastructure spending of operators. Reduced costs of infrastructure can allow more money to be spent on enhancing infrastructure
- ✓ **Network operation cost:** Results in rationalisation of operational cost due to reserves produced by sharing site rent, power and fuel expenses

- ✓ *Enhanced focus on service innovation:* Alleviates pressure of network rollout and cost management from operators, allowing them to focus on customer service in a highly competitive and customer-centric industry. This becomes especially important in a regulatory environment demanding fast rollout of services
- ✓ *Lower entry barrier:* Active and passive infrastructure sharing will result in lower entry barriers, allowing smaller players to penetrate the market.

Factors driving growth for Passive Infrastructure Sharing

Apart from favorable industry prospects, there are several other factors too that drive increase in tower sharing, as discussed below –

- ✓ *Viability of business at low ARPUs:* At present, incremental growth in the subscriber base is coming mainly from rural/semi-urban areas (also in these areas, the incremental ARPUs are relatively lower). Further, network design and planning in rural areas is different from that in urban areas, given that the population in rural areas is widely dispersed, which increases the tower requirements to cover the same number of subscribers (vis-à-vis urban areas). But as, even at low ARPUs, business viability can increase significantly on the strength of infrastructure sharing.
- ✓ *High usage and limited spectrum availability:* India has one of the highest MoUs in the world, which increases the number of base tower stations (BTS) required to handle the same subscriber base. Thus while on an average, a GSM BTS can handle around 1,100 subscribers, in the case of high usage areas the figure can be as low as 600-700 subscribers, which means a larger number of cell sites would be required for the same area. Moreover, the country has the problem of spectrum scarcity, which increases the requirement of towers to maintain a reasonable level of service quality.
- ✓ *Quality of service:* In the past, domestic telecom operators competed largely on the pricing plank. However, as mobile tariffs in India are currently one of the lowest in the world, the scope for further tariff reduction is low. Given this fact, going forward, quality of service (QoS) would become the prime distinguishing factor among the competing companies. Moreover, a rapidly increasing subscriber base and spectrum crunch would further add to the problem of telecom operators having to maintain the minimum level of QoS. Besides, with the likely introduction of mobile number portability, QoS will become more important as customers will then have a broader range of options available with limited switching costs. Thus to retain existing subscribers by preventing subscriber churn, operators will require additional infrastructure in their existing areas of operation to be able to offer better QoS.
- ✓ *Enhancement of profitability:* Tower sharing helps operators lower their operating costs and capital expenditure and thereby earn better margins and higher Return on Capital Employed (RoCE); the overall impact on Profit and Loss is also positive. Analysis suggests that there would be net annual cost savings for mobile operators if they opt to lease towers from a tower company rather than own them.
- ✓ *Entry of new players and expansion plans of existing operators:* Recently, several regional operators such as Vodafone Essar Limited, Idea Cellular Limited, Aircel Cellular Limited and Shyam Telelink Limited (now Sistema Shyam Teleservices Limited) have received licences as well spectrum in new circles, which would enable them to become pan-India operators in the next one-two years. Also, new licences have been issued to players such as Unitech, Swan Telecom, and S Tel Limited. Given the significant expansion plans of new entrants over the medium term

and the need for them to optimise investments in order to maintain returns, demand for towers is expected to report a sharp increase.

- ✓ *Shorter rollout time, a key necessity:* As the domestic telecom industry is highly competitive, doing business may not be easy for the new entrants. Moreover, given that the incumbents already have the competitive advantages of widespread distribution networks, established brand names and strong subscriber base, shorter network-rollout time would be a critical success factor for the new entrants; a longer rollout time could mean loss of substantial market share to other operators. Tower companies allow players to start operations in a particular region just by installing their electronics on the ready-to-use towers, thereby significantly shortening the rollout time.
- ✓ *New technologies to further stimulate demand:* 3G services are expected to be launched in the country in 2009-10. Moreover, in order to augment their services, various operators plan to launch Wi-Max services as soon as they receive additional spectrum from Government. This would further increase the demand for sharing of passive infrastructure.

Business Models used for Tower Sharing

CAPTIVE	Towers are owned & operated by telecom operators.
OPERATOR CONTROLLED ENTITY	Operator consolidates tower infrastructure; and Transfer to a separate operator owned entity. (WTTIL, Bharti Infratel, Reliance Infratel)
POOL AND SHARE	Operators jointly set up an independent company. Each operator contributes infrastructure to the joint entity or venture. (Indus, Bharti, Vodafone, Idea)
BUILD AND OPERATE	Independent tower companies builds & manages tower infrastructure. Leased to operators under long term contracts. (Quippo, ATC, Tower vision)

SWOT Analysis of Tower Sharing

Strengths –

- ✓ Falling revenues, growing capital expenditure and the high operating expenses incurred by each telecom operator on a site ownership basis individually, is driving operators to consider the sharing of infrastructure;
- ✓ Infrastructure sharing can be used to build more cost effective coverage in rural areas;
- ✓ Once a tower asset is rented out, it usually generates a stable and predictable cash flow in the form of tower rentals from occupants;

- ✓ India has the problem of spectrum scarcity, which increases the requirement of towers to maintain a reasonable level of service quality.

Weaknesses –

- ✓ High initial capital investments: On an average, Capex for a roof-top tower is ₹ 1.5 to ₹ 2 million; Capex for a ground-based tower of ₹ 2.4 to ₹ 2.8 million;
- ✓ No uniform policy guidelines by Civic Authorities for installation of cell sites across the country. Various Civic Authorities across India have varied policies/ guidelines for installation of cell sites.

Opportunities –

- ✓ Potential requirement of 554000 cell sites by 2015;
- ✓ With mobile number portability expected to be implemented shortly, telecom operators are expected to invest in network up gradation to improve the quality of service as a prerequisite to retain their customers.
- ✓ The need for faster network rollouts by new operators entering the Indian Telecom market to be able to compete with the incumbents;
- ✓ Launch of 3G services in the country in 2009-10. Moreover, various operators plan to launch Wi-Max services as soon as they receive additional spectrum from Government. This would further increase the demand for sharing of passive infrastructure.

Threats –

- ✓ A 25% - 30% success in active infrastructure sharing has the potential to reduce tenancies by 12% - 15%. This would have a negative impact on the business case of passive infrastructure providers and the future valuations.

The Telecom Towers Industry

There is a strong correlation between telecom infrastructure and telecom services, as can be seen from the growth in the number of towers and mobile subscribers over the past five years. The growth in subscriber base has necessitated expansion of network coverage, which in turn has driven the telecom companies to make sizeable investments in active and passive infrastructure.

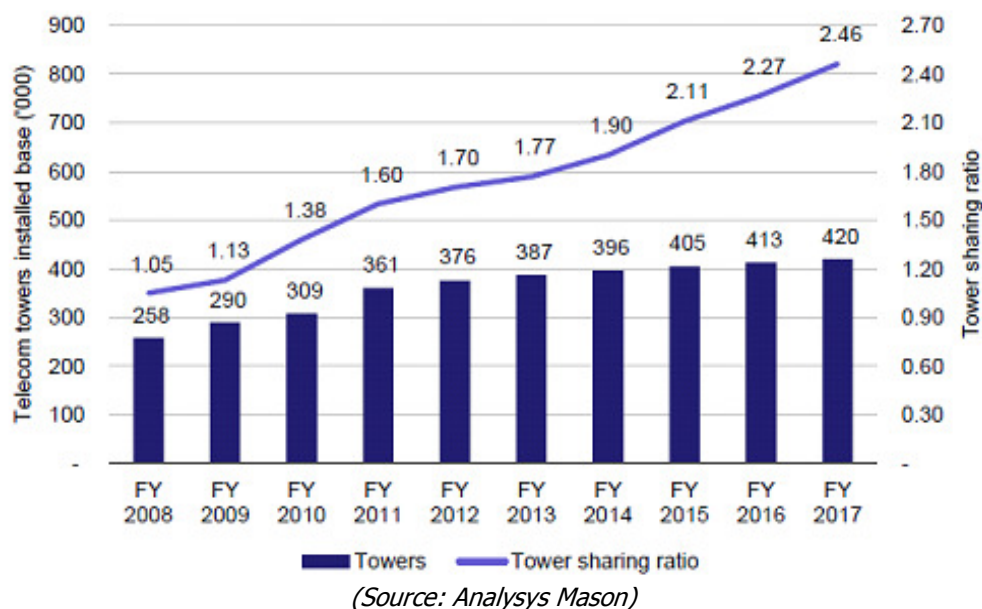
The Telecom Tower industry acquired its identity when government introduced Infrastructure Provider Category – I in the middle of 2000 to craft telecom infrastructure as a separate business model. Wireless telecom in India has seen stupendous growth in last few years with wireless subscriber base growing at a CAGR of more than 50% in last 5 years. While as of March 2006, 85,000 telecom towers served 98.8 million mobile subscribers, as of March 2011, there were 3,70,000 towers serving 811.6 million users. As a result, telecom tower industry was also pushed into the higher growth trajectory. There was astonishing growth in tower capacity addition at a CAGR of above 30% during FY 2006 to FY 2011. Number of towers in the country increased from 85,000 in fiscal 2006 to 400,000 in fiscal 2011. Rapid growth in 2G subscribers and the expectations of 3G and 4G network expansion led to massive capacity build up in the tower space. Tower industry in India has an average tenancy of 1.6x and is expected to improve marginally over the next couple of years as there will be new Base Transceiver Station (BTS) addition on the existing towers, to cater to demands of 3G and 4G services. Typically, for a GSM operator providing 2G services, the number of subscribers that are served by a base transceiver station ("BTS") is 850 to 1,200. This number could vary based on the technology, the spectrum and other factors. As telephony in India is expected to shift from voice to data, current OFC network of 1,000,000 km will need massive capacity addition.

(Source: Report by Credit Analysis & Research Ltd, published in March 2012)

Trend in number of towers (historical) for 2G and 3G

It is estimated that 2G base stations are currently installed on 376,000 towers. The current coverage of 3G remains focused on select cities, but operators are expected to roll out 3G networks in tier II and tier III cities in the next two years, and Analysys Mason expects that 3G coverage will reach villages with a population of greater than 5,000 after a few years, amounting to about 19,000 villages in total.

The graph below details the Telecom towers installed base and tenancy in India, financial year 2008 – financial year 2017 -



Optical Fibre Cable (OFC) Industry

An optic fibre is a glass or plastic fibre that carries light along its length. Optic fibres are widely used in fibre optic communications, which permits transmission over longer distances and at higher bandwidths (data rates) than other forms of communications. Fibres are used instead of metal wires because signals travel along them with less loss, and they are also immune to electromagnetic interference. Fibres are also used for illumination, and are wrapped in bundles so they can be used to carry images, thus allowing viewing in tight spaces. Specially designed fibres are used for a variety of other applications, including sensors and fibre lasers.

OFC Network

India has an established backbone network connecting states with each other and a central network. While OFC network exists at the block level, the backhaul network hasn't been upgraded to an Optical Fiber Cable Network to date. Almost 80-90% tower backhaul connections are still on microwave links and they do not offer support for higher bandwidth capacities. Fibre has nearly unlimited bandwidth potential. Besides with increase in rural penetration, scarcity of spectrum is likely to increase further and consequently the demand of OFC for backhaul. Moreover, the increasing need for 24x7 high-speed connectivity and increased traffic generation from voice, messaging, emails, games, downloads, mobile internet access, video streaming & other services have unleashed the benefits of optical fiber cable networks.

Presently about 7,50,000 route Km of optical fiber network is available in India. It includes 5,00,000 route Km optical fiber network of state owned BSNL.

(Source: TRAI)

Benefits of Sourcing Optical Fiber and Optical Fiber Cable from Indigenous Manufacturers

- ✓ Logistics support and timely delivery of supplies
- ✓ Help avoid security & information leak
- ✓ Creating huge value as well as increasing employment
- ✓ Complete process control and if required inspection at all stages at any point of time
- ✓ Committed to future supplies required for Network maintenance/replacement purpose
- ✓ Test facilities available domestically
- ✓ Network Ownership – future maintenance and installation becomes easier

Though the market consumption over the last two years has not lived upto the demand projections, Indian fiber manufacturing capacity is on the rise with over 30 Mn fkm/year. Also, capacity for OFC manufacturing in India is over 8 Lac Cable KM. Thus, India can domestically meet the requirements for the upcoming OFC projects.

Sourcing fiber optic cable from domestic manufacturers, will not only suffice upcoming projects' requirement for resources but in fact provide a great impetus on bolstering the domestic market, save on foreign currency, promote R&D, and provide high quality evolving products for an evolving Indian Information and Communications Technology (ICT) industry.

Recognizing the need for high speeds and 24x7 connectivity, there has been a conscious effort to make the telecommunication network robust, future proof and reliable.

- ✓ FTTH/FTTB has been introduced in India and is a fast growing phenomenon for a robust telecom network.
- ✓ India's fixed broadband user base grew by 24.5 percent in 2011 to 13.3 million, up from 10.7 million at the end of 2010.
- ✓ India is set to become one of the Top 10 largest fixed broadband markets in the world during the course of this year.
- ✓ The Fixed broadband market is set to grow to approximately 49.3 million subscribers in 2015.
- ✓ The market for fixed broadband equipment is expected to increase by a Compound Annual Growth Rate (CAGR) of 13.6% from 2010 to 2015.

However, the overall Broadband penetration in India is very low when compared to developed countries. India had only 13.95 Million broadband connections in April 2012 against the target of 20 Million by 2010.

(Source: Tele.net.in)

OUR BUSINESS

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

This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the sections titled 'Risk Factors' and 'Financial Information' and chapter titled 'Management Discussion and Analysis of Financial Condition and Results of Operations' beginning on pages 11, 142 and 169 respectively, of this Draft Prospectus.

Unless the context otherwise requires, in relation to business operations, in this section of this Draft Prospectus, all references to "we", "us", "our" and "our Company" are to Suyog Telematics Limited.

We are a growing passive telecommunication infrastructure provider in India, engaged primarily in the business of installing and commissioning of Poles, Towers and Optical Fibre Cable ("OFC") Systems in India "Passive infrastructure" refers to the telecommunication towers for wireless telecommunication services and "OFC" is used for the purpose of hosting and assisting in the operation of the active infrastructure used for transmitting telecommunications signals or transporting voice and data traffic.

Our business is to build, own and operate telecommunication Poles, Towers (particularly Roof-top towers), OFC systems and related assets and to provide these passive infrastructure assets on a shared basis to wireless and other communications service providers. These customers use the space on our telecommunication towers to install active communication-related equipment to operate their wireless communications networks. We also offer services to Telecom Operators in installing Telecom Infrastructure on job work basis.

We are registered as Infrastructure Provider Category-I (IP-I) with DoT (Department of Telecommunications). With our high quality, cost-effective and time bound services, we have also gained a good presence in the Telecom Industry as a TSP Vendor. We have provided a number of Poles and Infrastructure on lease over various areas in and around Maharashtra and Uttarakhand and have also installed BTS equipments on poles for most of the leading Mobile Service Providers in India, including, Bharti Airtel Ltd., Vodafone Essar Ltd., Idea Cellular Ltd., and TTML. Having been in the business of civil construction for over 2 decades, our group has completed installation of more than 200 Poles for various TSPs and about 10,000 Roof-Top Towers for BSNL on job work basis. As on June 30, 2013, our fully completed owned portfolio of passive infrastructure consists of 301 Poles in and around Mumbai and 81 towers in and around Maharashtra and Uttarakhand. In addition, we have our own optical fiber cable network of about 150 km in and around Mumbai.

We intend to capitalize upon what we believe to be emerging trends within the Indian telecommunications industry towards passive infrastructure sharing. We propose to increase our geographical presence across other niche locations in India by further augmenting our Passive Infrastructure Portfolio by installation of additional Roof Top Poles and new Ground Based Poles, some of which are proposed to be funded through the proceeds of this Issue. For further details, please see the chapter titled "Objects of the Issue" beginning on page 62 of this Draft Prospectus.

Our Revenues have grown from ₹ 181.92 lacs in fiscal 2009 to ₹ 892.23 lacs in fiscal 2013, representing a CAGR of 37.44%. Our earnings before interest, tax, depreciation and amortization have increased from ₹ 24.53 lacs in fiscal 2009 to ₹ 336.75 lacs in fiscal 2013, representing a CAGR of 68.86%. Our profit after tax has significantly increased from ₹ 13.88 lacs in fiscal 2009 to ₹ 100.11

lacs in fiscal 2013, representing a CAGR of 48.46%. For further details pertaining to our financial performance, please see "*Financial Information*" on page 142 of this Draft Prospectus.

As on June 30, 2013 our Company has staff strength of 14 employees for its existing operations. For further details please see "*Our Business*" beginning on page 97 of this Draft Prospectus.

Competitive Strengths

Today's dynamic markets and technologies have called into question the sustainability of competitive advantage. We believe that the following competitive advantages of our company ensure our survival and help us attain a prominent position in the market:

- ***First mover advantage in the Poles business***

We are a pioneer in bringing the concept of Poles in I. On an average, while installation of a roof-top tower involves a capital expenditure of ₹ 10 lacs, installation of a pole involves a capital expenditure as low as ₹ 2 lacs. Currently there are not many entities in India operating in this particular business segment. Moreover, there are growing concerns over the carcinogenic nature of emissions caused by towers. These towers emit radio frequencies up to a distance of 2-3 miles which are speculated as being extremely harmful for human beings. Poles emit lesser radiations as compared to towers.

Given that towers and poles have similar properties and provide similar functions, installation of poles gives us an edge over our competitors due to the following reasons –

- ✓ Better margins and higher Return on Capital Employed due to lower operating costs and capital expenditure;
- ✓ Reduced carbon emission and less radio frequency emission.

- ***Significant infrastructure in place to capture the future growth potential of the telecommunications sector***

All our telecommunication towers are configured to host multiple wireless service providers. As of June 30, 2013, our average system-wide telecommunication tower capacity (measured in terms of available hosting slots per telecommunication tower) was 2 tenants per tower, while our actual system-wide average telecommunication tower occupancy rate was 1 tenant per tower. We believe that the capacity available on our telecommunication tower portfolio, and our overall portfolio profile, positions us well to capitalize on an increase in tower-sharing within I. We believe we are in a liaisoning position to accept large infrastructure sharing contracts from communications service providers, such as the recently executed contracts with entities such as Airtel, Tata Telematics Ltd., Vodafone Essar, Idea etc., due to the size of our passive infrastructure network.

We are also in advanced stages of negotiations with various operators and cable television providers for OFC and duct-sharing arrangements.

- ***Significant project execution, operational and management experience***

We are led by a management team that has been involved in the roll-out of our existing portfolio from the start of its development until the present. Throughout the course of building our owned telecommunication portfolio numbering 81 towers and 301 poles as on March 30, 2013, our management team has developed project and operational management expertise and understands the key opportunities and risks associated with our business.

Our revenues and returns on investment will be primarily driven by our ability to develop / acquire sites of strategic importance and high growth potential, secure better commercial terms from users and increase utilization of space and infrastructure on our sites. It may be possible for us to achieve these objectives since we are a third party neutral service provider with no business conflicts with other service providers in the telecom space and are best positioned to capitalize on this emerging opportunity.

We believe that this expertise, which also extends down from our management team to many levels of our working teams, will prove to be a significant strength as we look to expand our portfolio and customer base over the course of the coming years. We believe that, among other things, this experience will provide us with advantages with respect to commercial negotiations with suppliers, identifying areas for cost reductions and other efficiencies.

- ***Established relationship with our clients***

We have developed strong and sustaining relationships with our clients i.e. Telecom Operators. We have the distinction of having worked with almost all the leading telecom operators. No single customer accounted for more than 36.42%, 27.92% and 31.19% of our net sales in fiscal 2013, 2012 and 2011 respectively.

Our track record of delivering timely services to our customers and demonstrated industry expertise consistently has helped us nurture long-term relationships with them. We have a history of high customer retention and derive a significant proportion of our revenue from repeated business.

- ***Environment, Safety and Health policy / "Go Green" technology***

Protecting the environment is one of our core values and reflects our commitment to be socially responsible and deliver our services in an environmentally friendly manner. Sharing of sites by multiple operators has optimized the energy cost significantly. 2 to 3 operators sharing bring down the energy cost by 20% to 30% (*Source: Internal Estimates*) for the respective operator. We take responsibility to maintain a healthy work environment in full compliance with legal safety Standards beyond the prescribed Government of India norms. As a result, we have a corporate Environment, Safety and Health policy that apply to all employees and operations across the country. Our portfolio of towers to poles ratio is 10:80. The radio emission and carbon emission from pole sites is multiple times less than conventional RTT sites since the sharing possibility and feasibility in a pole site is not like a RTT site. Hence we are a pioneer in our industry and are working towards greener and safe environment.

Safe practices, healthy working conditions and the protection of our environment are a key to achieving sustainable profitability and success.

Business Strategy / Future Plans

Our business objective is to capitalize on emerging trends within the Indian telecommunications industry to expand our business, through the following strategies:

- ***Actively seek opportunities to increase tenancy of our portfolio***

We intend to actively seek out opportunities to add additional telecom operators as customers to our portfolio. As the costs of operating a pole / tower site are largely fixed and are recovered under the terms of the rental arrangement with the initial customer for any site, each additional customer beyond the first would be likely to have a positive effect on our margins. As such, we intend to

actively look for opportunities to attract multiple wireless telecom operators to our telecommunication towers, including smaller and new Indian telecommunications companies with small networks which are unable or unwilling to make the significant investments required to build substantial proprietary passive infrastructure networks, wireless telecom operators who prioritize quick access to new markets and operators of new and emerging wireless technologies who will look to roll out their new networks in an effective and cost-efficient manner.

We also intend to explore other expansion opportunities to maximize the capacity utilisation of our existing portfolio and expand our operations, including by attracting new customers, to host 3G, 4G, WiMAX and/or other new and emerging communications technologies on our telecommunication towers and, if permitted by regulation in the future, using our telecommunication towers for broadcasting purposes.

In addition, we have also signed passive infrastructure sharing contracts with certain telecommunication operators and are in the advanced stages of discussions with other key operators for the provision of similar services. These contracts are expected to be signed and put into operation in the current financial year.

- ***Targeting niche areas***

We intend to target niche areas by continuing to focus on strategic site acquisition through constant research and development which we believe is a core thrust and biggest challenge in our business. We intend to acquire space from the "No Land Available" areas. We continuously collaborate with our customers and land owners in the government and private space to provide innovative solutions. A typical example of the same is our project on the Bandra-Worli Sea Link.

- ***Exploit our experience in other Infrastructure related activities***

Given the similar nature of activities and resources involved in the execution and the project management for setting up of tower / pole infrastructure and other infrastructure related activities, we believe that we could look at maximizing the opportunity to share passive infrastructure in the short term as well as continue to install pole sites wherein we are the pioneers and market leaders.

- ***Maintain performance and competitiveness of existing business***

We intend to utilize project management skills to access the growing demand for telecom projects in India. We plan to use our expertise to bid for a large number of projects and deploy our resources more efficiently and improve operating margins. We also intend to continue to strengthen our technical and engineering capabilities to enable us to bid for more projects. We believe constant research and development would enable us to remain ahead of competition and also to help customers with lower costs and enhance their efficiency. Because speed to market and reliable network performance are critical components to the success of wireless service providers, our ability to assist customers in meeting their goals will contribute to our success. We intend to continue to focus on customer service by, for example, reducing cycle time for key functions, such as lease processing.

- ***Continue to recruit, retain and train qualified personnel***

We believe the successful implementation of our business and growth strategies depends on our ability to hire and cultivate experienced, motivated and well trained members of our management and employee teams. We intend to continue to recruit, retain and train qualified personnel. We plan to empower management and plant leadership to excel by decentralizing operational decision-making to

those who best know the business needs of each plant, and to encourage the building of our knowledge base by sharing best practices from different plant locations.

DETAILS OF OUR BUSINESS OPERATIONS

Location

We operate from the following locations:

Sr. No.	Location	Purpose
1	41, Suyog Industrial Estate, 1 st Floor, LBS Marg, Vikhroli West, Mumbai – 400083.	Registered Office
2	801/ A, Manas Residency, Opp. Teen Petrol Pump, Panchpakhadi, Thane (W) – 400604	Branch Office
3	Ground Floor, Suyog Apartment, Near Rishikendra High School, Signal Camp, Latur – 413512	Branch Office & Godown
4	Office No. 104, 1 st Floor, “XL Plaza” Village Tirandas, Near Bhavan Industrial Estate, IIT Market, Powai, Mumbai – 400076	Godown
5	1 st Floor, 60, Ansari Road, Near Natraj Cinema, Dehradun – 248 001	Branch Office & Godown
6	18, Suyog Industrial Estate, 1 st Floor, LBS Marg, Vikhroli West, Mumbai – 400083.	Branch Office

For further details of these offices, please see “*Our Business*” beginning on page 97 of this Draft Prospectus.

Our Business Model

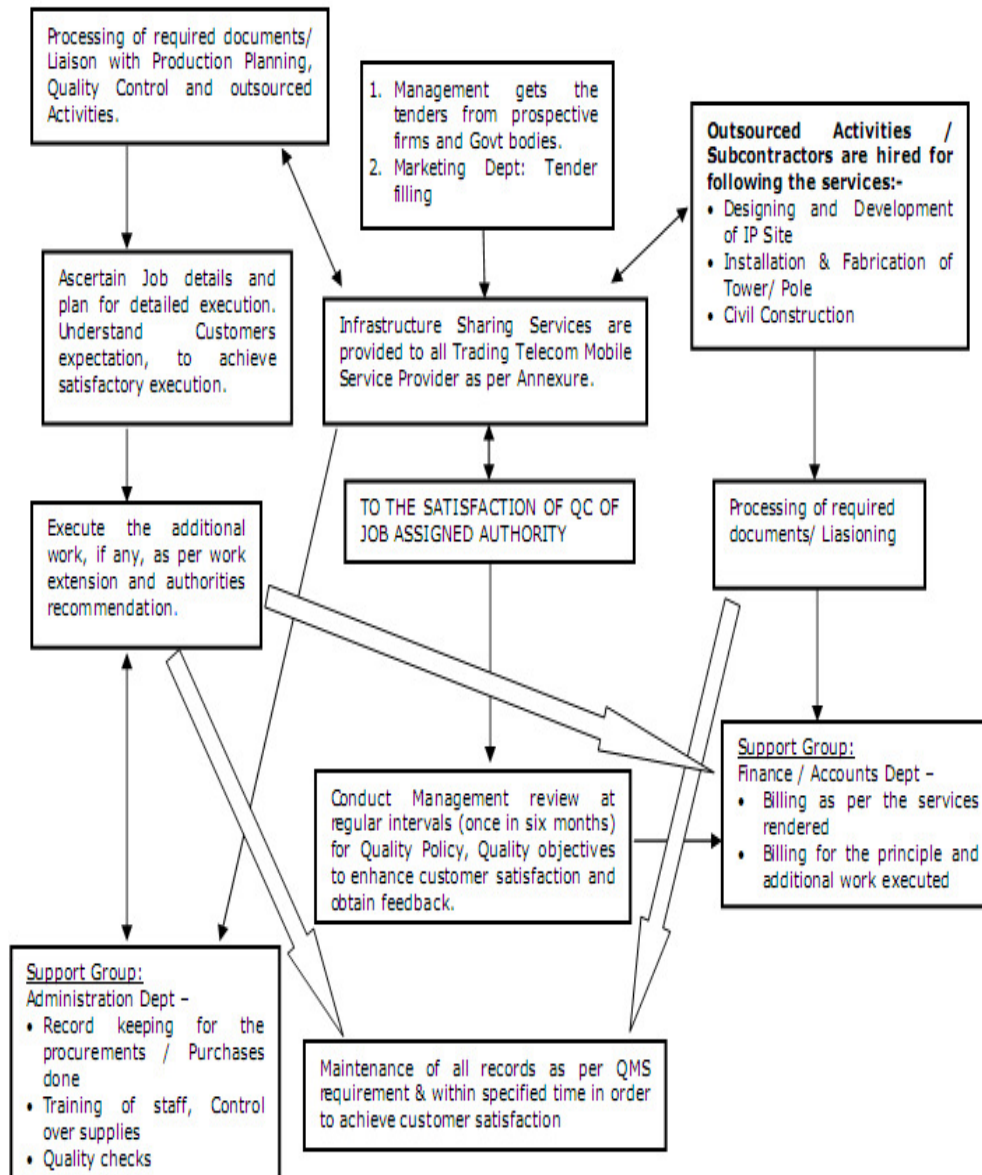
The biggest challenge in our business model is identification and acquisition of Land / Space. This is the first step that we take in connection with development of new sites. Our R&D Team is responsible for identifying an appropriate site. The findings of such research are passed over to our Business Development team who is responsible for acquiring the land required to establish the telecommunication tower / pole.

The Business Development team is responsible for identifying business opportunities available to us and enhancing the scope and size of projects which we bid for. We enter into contracts primarily through a competitive bidding process. Telecom Companies typically advertise potential projects in leading national newspapers or on their websites. Our tendering department regularly reviews newspapers and websites to identify projects that could be of interest to us. The head of the tendering department evaluates the opportunities and internally discusses with the top management

on the feasibility of the of a particular project, in terms of financial strength, the geographic location of the project, and the degree of difficulty in executing the project in such location, our current and projected workload, the project's cost and profitability estimates and our competitive advantage relative to other likely bidders.

Once we have identified projects that meet our criteria, we submit an application to the client according to the procedures set forth in the document.

The following flowchart briefly explains the process followed by us while executing a project –



Products/Services offered by us

Our company specializes in innovative solutions which are different from the existing tower sharing concept. We play host to telecom service providers by acquiring and deploying greener pole sites or the traditional RTT sites. Thus our company provides services in terms of infrastructure provisioning for Poles, Towers and Optical Fibre to Telecom Operators in niche areas.

a) Tower Business



(Representative Photograph)

We are in the business of installing Roof Top Towers and providing the same to telecom service providers on a sharing basis.

We have a tenancy of one per tower. These telecommunication towers have been used for both CDMA and GSM needs. Our Roof Top Towers are normally 15 meters in height and are considered structurally stable assuming a wind speed of 180 km per hour.

As of June 30, 2013, we had a portfolio of 81 owned telecommunication towers in Maharashtra and Uttarakhand.

These Sites have been provided to our diverse client base including Tata Teleservices, Airtel, Vodafone, and BSNL.

b) Poles Business



(Representative Photograph)

Since it is not possible to erect regular network towers etc atop flyovers/bridges we have spearheaded the concept of Poles for telecom infrastructure.

We have provided a number of Poles and Infrastructure on lease over several MSRDC Flyovers, Bandra-Worli Sea Link Project, MMRDA Flyovers as well as Skywalks in and around Mumbai and have also installed BTS equipments on poles for the telecom service providers.

Further, we have also started working on the concept of installing BTS on Poles in local areas where there is severe traffic and congestion in collaboration with the local Police Authorities, whereby we shall install poles in places such as Check Naka's, Cinema Halls and shall also install CCTV Cameras for the Police Department in such Poles in order to help them with their surveillance mechanisms.

As on June 30, 2013, we had a portfolio of 301 Owned Poles in and around Mumbai. Clients using our poles infrastructure include Airtel, Idea Cellular, Vodafone, Tata Teleservices, Aircel and Loop Mobile.

Additionally, we have also installed a total of 229 Poles on job work basis for Reliance Infocomm Engg. Pvt. Ltd. (100), Vodafone Essar Ltd. (54) and Bharti Airtel Ltd. (75).

c) Optical Fibre Network Business

We have set up our own optical fiber cable network of about 150 km from Thane Ghodbunder Road to Kalamboli. The main benefits of OFC are exceptionally low loss, allowing longer distances between amplifiers and repeaters, and inherently high data-carrying capacity. For example, several thousand electrical links can replace a single high bandwidth fibre cable. In addition, OFC does not require line of sight, a common constraint for microwave networks.

In addition, our OFC network fibre has been laid in ducts intended to provide added protection and to allow us to lay more fibre as demand increases. We have provisioned extra ducts throughout our OFC network, with the majority of our OFC network having been laid with eight ducts. The average age of our ducts is thirty years, and the expected life span of such ducts is approximately ten years. Our OFC network is laid about one meter below the ground for protection against natural elements and human intervention.

Our critical information technology systems are designed to allow us to monitor the performance of our OFC network on a real-time basis in order to enable us to respond quickly to network problems.

d) Trading Business

In addition to our Core Telecom Infrastructure businesses, we have also begun on a test basis to undertake supply contracts to supply other telecom products such as Rectifier Module and propose to also include other products like Telecommunication Cables, Telecommunication Panels, Diesel Generators, Earth Strips, Batteries, Electric Power Cable, Fibre Cable and Galvanized Poles etc by procuring the same in the Domestic Market and exporting to overseas buyers. The trading sales of our company for the FY 2013 were ₹ 8.82 lacs.

Technology and Support System

We have established certain management information systems that enable us to provide better service to our customers. Our site management system allows us to swiftly identify sites that meet the needs of wireless service providers, identify faulty telecommunication towers and maintain all relevant customer and site data to manage our business operations, make the leasing process faster and respond efficiently to customer enquiries.

In addition, we have made the processes of billing automatic to increase efficiency and accuracy. Frequent billings are required in relation to certain expenses, such as site rentals, security and power and fuel costs, which are charged back to customers.

The key components of our management information systems are sourced from SAP. We have put in place information systems for identifying potential customer requirements, taking inventory of tenancy capacity for offering slots to potential customers and determining used tenancy slots on an ongoing basis.

We intend to integrate information relating to the tenancy capacity of our sites on a nationwide portal and provide selective access to concerned sales, planning, implementation and operation and management personnel.

Client Base

Some of our marquee clients in fiscal 2013 include renowned names such as Bharti Airtel Ltd., Vodafone Essar Ltd., Tata Telematics Maharashtra Ltd., Bharat Sanchar Nigam Ltd., Idea Cellular Ltd., Aircel Ltd., and other Telecom Companies.

Exports and Export Obligations

In fiscal 2013, our Company commenced export trading activities. Our export sales in that year amounted to ₹ 8.82 lacs.

We do not have any export obligation as on date of this Draft Prospectus.

Marketing set-up

We intend to target existing service providers expanding their network capabilities as well as new service providers entering the Indian market. Our overall sales and marketing strategy is coordinated from our office in Thane.

Our marketing activities commence upon acquisition of land. Our Business Development team is responsible for acquisition of land / sites, including entering into long-term agreements with land owner. In traditional RTT model having single occupancy, we carry out marketing activities in coordination with other telecom operators to increase tenancy.

In addition we have extensive surveys, research and discussions with telecom operators as customers and on the field work to understand gaps in quality and coverage of telecom operators. We work on different Infrastructure like Bridges, Skywalks, Foot-over bridges and provide tailored telecom solution. The tailored solution is location and geography specifics catering to the needs of customers.

Vendors / Suppliers

Our Vendors are valued partners in our business development and we work with them in a spirit of mutual co-operation to meet our business objectives.

Vendor Development and Strategic Sourcing is a part of the Business Development / Project Management Department. This department identifies the vendors, rates the vendors, sends Request for Proposal, drawings/ specifications, calls for quotes with detailed break- up of operation-wise costs, and negotiates the price at which the products will be supplied.

We consider our vendors as partners in progress and believe in establishing mutually beneficial long term relationships. We provide necessary assistance in all areas of operation to maintain competitive cost & quality levels.

Some of our vendors in fiscal 2013 were Bharat Electric & Hardware Stores, Emmerson Network Power (I) Pvt. Ltd., Delta Power Solution, Skyway RMC Plants Pvt. Ltd., etc.

Inventory

The construction of passive telecommunication infrastructure requires an adequate supply of high-quality input components on a timely basis. We aim to manage our input component procurement process so as to minimize costs and avoid disruption to our business by developing long-term relationships with input component suppliers.

Below is a list of certain key input components required for installation of Poles including, but not limited to:

Civil Works –

- ✓ Galvanized Poles

Electrical Works –

- ✓ Earth strips
- ✓ Power Cable
- ✓ Other electrical ancillaries

The additional key input components required for installation of Towers include –

- ✓ Air-conditioners
- ✓ Shelters
- ✓ Rectifiers
- ✓ Diesel Generators
- ✓ Batteries

The key input components required for installation of OFC systems include –

- ✓ HDPE Pipe
- ✓ Fibre Cable
- ✓ Chamber

Power and fuel

We source power for our cell sites from the local Electricity Boards. The supply of electricity from local and regional power grids within India is generally not adequate or reliable, in some cases substantially so, and our sites are therefore also equipped with battery and diesel generator sets as back-up power arrangements. The diesel fuel required for the running of the generator sets is sourced from local fuel companies. Typically, we pass power and fuel costs through to our customers and in cases where we have multiple customers at a site, the charges per user are apportioned among customers.

Quality Control

We have been awarded ISO 9001:2008, the relevant details of which are provided below –

Issuing Body	Date of Certificate	Date of Expiry	Certificate	Description
BSI India	November 07, 2011	November 06, 2014	ISO 9001:2008	We hold Certificate No. FS 576347 approving that our Quality Management System was found to be in accordance with the requirements of ISO 9001:2008 for the following scope: Provision of service in development, erection, installation and commissioning and maintenance of telecom tower and ducting for optical fibres.

We place a strong emphasis on quality control to ensure that the quality of our passive telecommunication infrastructure network complies with relevant laws and regulations and meets our customers' requirements. Quality control procedures have been established by us to ensure each telecommunication tower meets minimum quality requirements. In addition, although we outsource all our installation and maintenance to other agencies, we maintain a team of project managers,

engineers and site supervisors to supervise the day-to-day construction and maintenance of each telecommunication tower site.

In addition, internal guidelines have been established and are monitored in relation to control over record keeping, internal audits, customer service standards, complaints and remedial actions, construction supervision and inspection, maintenance guidelines and staff training.

In relation to our OFC network, all infrastructure is ITU standard compliant. Vendors are approved by a technical team after an inspection of the manufacturing facility and a quality plan. We conduct various tests, including sample checks and periodic checks, to assess the manufacturer's compliance with quality.

Competition

The tower infrastructure sharing business in India is highly competitive in nature. Most of the large players operating in this industry have distinctive advantage in terms of location, specific availability of resources and past experience in project execution.

There is no authentic / reliable data available to us on total industry size and our market share vis a vis our competitors. Some of the large players in our industry are Reliance Infratel Ltd., Bharti Infratel Ltd., Viom Networks, ITIL, amongst a few, whose one of the business segments is similar to ours. However, our position in the market is unique as we are pioneers in the segment of pole solution, which forms a larger part of our business.

Human Resources

We have 14 permanent employees on our pay rolls as on June 30, 2013. These employees are employed in various categories and cadres at projects sites and corporate offices. The bifurcation of our staff is given below:

Category	No.
Directors	2
Senior Managerial	5
Managers / Officers / Executive	6
Semi Skilled Staff	1
TOTAL	14

Property

Sr. No.	Description of Property	Name of Owner / Lessor/ Landlord etc.	Consideration	Lease/Occupancy Rights Valid upto
1.	Registered Office: 41, Suyog Industrial Estate, 1 st Floor, LBS Marg, Vikhroli West, Mumbai – 400083. 1084 sq ft	Mr. Gurushantappa Lature	Security Deposit: ₹ 2,20,000 Monthly Rent: Nil	February 28, 2023
2.	Branch Office: 801/ A, Manas Residency, Opp. Teen Petrol Pump, Panchpakhadi, Thane (W) – 400604 864 sq ft	Mr. Shivshankar Lature	Security Deposit: ₹ 75,00,000/- Monthly Rent: Nil	February 28, 2022
3.	Branch Office & Godown: Ground Floor, Suyog Apartment, Near Rishikendra High School, Signal Camp, Latur – 413512 1000 sq ft	Mr. Shivshankar Lature	Interest Free Security Deposit: ₹ 40,00,000/- Monthly Rent: Nil	February 28, 2022
4.	Godown: Office No. 104, 1 st Floor, "XL Plaza" Village Tirandas, Near Bhavan Industrial Estate, IIT Market, Powai, Mumbai – 400076	Mr. Shivshankar Lature	Interest Free Security Deposit: ₹ 40,00,000/- Monthly Rent: Nil	February 28, 2022
5	Branch Office & Godown: 1 st Floor, 60, Ansari Road, Near Natraj Cinema, Dehradun – 248 001 500 sq ft	Dr. Navinkumar Jain	Interest Free Security Deposit: ₹ 10,000/- Monthly Rent: ₹ 5,500/-	March 20, 2016
6	Branch Office: 18, Suyog Industrial Estate, 1 st Floor, LBS Marg, Vikhroli West, Mumbai – 400083. 1084 sq ft	Mr. Shivshankar Lature	Security Deposit: ₹ 1,00,00,000/- Monthly Rent: Nil	June 30, 2021

Intellectual Property

Our Company has applied for registration of a trademark of the Company under the Trademarks act, 1999 to the Trademarks Registry, Mumbai and the same has been set-out below:

Our Company has registered the logo of 'Suyog Telematics Pvt. Ltd.' in Class 38 under no. 1526180 on January 31, 2007. Further, pursuant to conversion from "Pvt. Limited" to "Public Limited" our Company is in the process of making an application for the revision in the logo.

Insurance

Our Company has obtained insurance coverage to sufficiently cover all normal risks associated with its operations and is in accordance with the industry standard. Following are the details regarding the insurance coverage obtained by our company:

Name of Insurance Company	Policy Number	Validity Period	Stock Insured	Sum Insured	Premium
The Oriental Insurance Company Limited	124200/11/2014/1016	28/06/2013 to 27/06/2014	Telecommunication towers incl. power plants/power cables, ACDB Box and other materials related to telecommunication towers	₹ 5,12,93,353	₹ 56,192

Environment and Safety

Our operations are not subject to any known environmental hazards and no approval from authorities in respect of protection of environment is required. We believe that ensuring the health and safety of our employees is critical to the successful conduct of our business and operations. We are therefore committed to complying with applicable health, safety and environmental regulations and other requirements in our operations.

KEY INDUSTRIAL REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to the Company. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies set out below may not be 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. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see the chapter titled "Government and other Statutory Approvals".

CENTRAL LAWS

Department of Telecommunications (DoT)

The Ministry of Communication and Information Technology has prescribed certain rules for the companies engaged in the business of providing assets such as Dark Fiber, Right of Way, Duct Space and Tower. The infrastructure service providers in the tele-communications arena are required to be an Indian company registered under the Companies Act, 1956 and which is also registered with the DoT as an IP-I Provider and obtain a certificate in this regard from the DoT ("**IP-I Registration Certificate**") in terms of the Guidelines for Registration of Infrastructure Providers Category- I by the DoT ("**IP-I Guidelines**"). An IP-I Provider can provide infrastructure such as dark fibers, right of way, duct space and towers on lease / rent out / sale basis to the licensees of telecommunication services in compliance with the terms and conditions set out in the IP – I Registration Certificate and IP-I Guidelines. The IP-I Registration Certificate may be cancelled by DoT upon breach of its terms by the IP-I Provider. As the Company is an infrastructure service provider, it has obtained registration with the DoT as IP-I category and it complies with the guidelines framed by DoT in this regard. On March 9, 2009, DoT issued an order regarding scope of IP-I providers. Under this order, DoT clarified that the scope of IP-I providers has been enhanced to cover the active infrastructure if this active infrastructure is provided on behalf of the licensees, i.e. they can create active infrastructure limited to antenna, feeder cable, Node B, Radio Access Network (RAN) and transmission system only for / on behalf of Unified Access Service Licensee/Commercial Mobile Service Provider.

Standing Advisory Committee on Radio Frequency Allocations ("SACFA") Clearance

The SACFA is a high level committee whose function is to carry out detailed technical evaluation in respect of aviation hazards, obstruction to line of sight of existing or planned networks and interference to existing and proposed networks. For setting up any wireless installations in India, clearance from the SACFA is required in respect of a fixed station and its antenna mast (cell sites). The SACFA prescribes a comprehensive procedure for siting. SACFA has divided sites for wireless stations into four categories- 'mast height category', 'category exempted from mast height clearance', 'full siting category' and 'additional antenna category'. Depending on the antenna size, height, power output and frequency, application for SACFA clearance has to be made in different forms pertaining to each category. As per the Office Memorandum No.K 19013/ 13/ 2005/ CFA of WPC Wing issued by the DoT dated June 28, 2006, all antenna towers located beyond seven kilometres from the nearest airport and having a total height of not more than 40 meters above the mean sea level of the airport reference point of the concerned airport need not undergo the detailed SACFA siting clearance procedure, but be registered online on the WPC/SACFA website and necessary clearance will be issued by the SACFA Secretariat. The SACFA also deals with major frequency allocation issues, making recommendations on various issues related to International Telecommunications Union (ITU), the Asia Pacific Tele-community (APT) and problems referred to the SACFA by various wireless users.

National Telecom Policy, 2012

The National Telecom Policy, 2012 (the "**NTP 2012**") was approved by the Government on May 31, 2012. The policy envisions providing secure, reliable, affordable and high quality converged telecommunication services anytime, anywhere. The NTP 2012 lists various strategies in relation to telecommunication infrastructure which include, *inter alia*: (i) to review and simplify sectoral policy for right of way for laying cable network and installation of towers for facilitating smooth coordination between the service providers and the State Governments/local bodies; (ii) to undertake periodic review of electromagnetic field ("**EMF**") radiation standards for mobile towers and mobile devices with reference to international safety standards; (iii) to encourage use of innovative methods like camouflaging, landscaping, monopole towers and stealth structures to conform to aesthetic requirements; (iv) to mandate standards in the areas of functional requirements, safety and security and in all possible building blocks of the communication network, including physical infrastructure like towers and buildings. Additionally, NTP 2012 aims to move towards Unified License regime in order to enable operators to efficiently utilise their networks and spectrum by sharing active and passive infrastructure. Further, with respect to Infrastructure Policy, the NTP 2012 aims to i) to facilitate a stable tax regime by stimulating investments and making services more affordable, ii) to meet current and future demands for microwave access and backhaul subject to the condition that IP-I infrastructure providers are brought under the proposed unified licensing regime, and iii) to simplify sectoral policies for Right of Way for installation of towers and laying of cable networks by facilitating smooth coordination between the service providers and the State Governments/ local bodies.

Guidelines for Grant of Unified License

The DoT has on August 19, 2013 now issued the Guidelines for grant of Unified License enabling telecom service providers to obtain a composite license for various services such Access Service, Internet Service, national and international long distance services etc. The Unified License will be issued on non-exclusive basis, for a period of 20 (twenty) years and may be renewed for 10 (ten) years at a time, upon request made by the licensee, during the 19th year of the license period. The renewal shall be on the terms specified by the licensor and shall be subject to extant policy.

Implementation of Green Technology in Telecom Sector

On January 23, 2012, DoT issued an order stating, *inter alia*, that: (i) at least 50% of all rural towers and 20% of the urban towers are to be powered by hybrid power by 2015, while 75% of rural towers and 33% of urban towers are to be powered by hybrid power by 2020; (ii) all telecom products, equipments and services in the telecom network should be energy and performance assessed and certified "Green Passport" utilizing the ECR's rating by the Telecommunication Engineering Centre by the year 2015.

Electro Magnetic Frequency Radiation from Base Transmitting Station Towers

The DoT has issued the norms of EMF Radiation on Mobile Towers and Mobile Handsets stating, *inter alia*, that: (i) the EMF exposure limit (base station emissions) is lowered to 1/10th of the existing ICNIRP exposure limit effective from September 1, 2012, (ii) DoT will carry out test audit of 10% of the Base Transmitting Station ("**BTS**") sites on random basis and on all cases where there is a public complaint; (iii) for non-compliance of EMF standards, a penalty of 0.5 million is liable to be levied per BTS per service provider. These norms are applicable from September 1, 2012.

Advisory Guidelines for State Governments for issue of clearance for installation of Mobile Towers ("Advisory Guidelines")

The DoT has on August 1, 2013 issued the Advisory guidelines to the State Government for issuing clearances for installation of mobile towers. The Advisory Guidelines propose a nominal one-time fee to be paid to State Governments, single window clearance for faster processing and provision of electricity connection on priority basis for mobile towers. In terms of the Advisory Guidelines, telecom service providers will be required to submit self-certificates as regards compliance with the EMR norms in respect of the BTS. Violation of the EMR exposure limits would attract penalties including shutting down of the BTS.

Consents in relation to DG Sets

The Ministry of Environment and Forests has prescribed that the manufacturers and users of DG sets have to abide by the 'Noise Limit for Generator Sets run with Diesel' notified by Environment (Protection) Second Amendment Rules dated May 17, 2002 prescribes noise limits for DG Sets. The Central Pollution Control Board ("CPCB") has also prescribed the Noise Limit for Diesel Generator Sets (up to 1,000 KVA) ("**System and Procedure Notification**") which is effective from January 15, 2008. It also prescribes the maximum permissible sound pressure level for DG sets with capacity of upto 1,000 KVA manufactured on or after January 1, 2005 is to be 75 decibels at one metre from the enclosure surface. The System and Procedure Notification states that no person shall sell, import or use a DG set, who does not have a valid type approval certificate and Conformity of Production certificate.

The Indian Telegraph Act, 1885 and the Indian Telegraph Rules, 1951

Under the Indian Telegraph Act of 1885 ("**the Telegraph Act**"), telegraph means any appliance, instrument, material or apparatus used or capable of use for transmissions or reception of signs, signals, writing, images and sounds or intelligence of any nature by wire, visual or other electro-magnetic emissions, Radio waves or Hertzian waves, galvanic, electric or magnetic means. A license is required to be obtained by the Central government to establish, maintain or work a telegraph within any part of India. A license will be issued by the Central Government on such conditions and in consideration of such payments as it thinks fit.

The Telegraph Act also provides for setting up of the Universal Service Obligation Fund ("**USO Fund**") for the purpose of providing basic infrastructure such as electricity, roads, water or telecommunication. The application of USO Fund should *inter alia* be made for (i) operation and maintenance of the Village Public Telephone; (ii) provisions of additional rural community phones with population in excess of 2000 and with no existing public call office; (iii) Replacement of Multi Access Radio Relay Technology Village Public Telephone installed before April 1, 2002.-provision of telecommunications facilities in habitations having populations of less than 500; and (iii) the Capital Expenses or Operating Expenses incurred in the creation of National Optical Fibre Cable Network for extending the broad band connectivity to all villages and Gram Panchayats.

Shops and Establishments Act

The Company is governed by various shops and establishments legislations, as applicable in the States where its offices are located. The Company has its registered office 41, Suyog Industrial Estate, 1st Floor, LBS Marg, Vikhroli (West), Mumbai – 400083 and has a marketing office at 1st Floor, 60, Ansari Road, Near Natraj, Cinema, Dehradun – 248001. These regulations regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures, and wages for overtime work.

The following are the acts and rules and regulations thereunder, as are applicable to the Company:

The Bombay Shops and Establishments Act, 1948
The Uttarakhand Shops and Commercial Establishment Act, 1962

TAXATION LAWS

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. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its returns by September 30 of each assessment year.

Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get itself registered and obtain an IEC (Importer Exporter Code). The Company has obtained an IEC.

Value Added Tax

Value Added tax ("**VAT**") is a system of multi-point levies on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each State has its own VAT Act under which persons liable to pay VAT must register and obtain a registration number from the Sales Tax Officer of their respective State. The following are the act and rules and regulations thereunder, as are applicable to the Company's establishments:

Maharashtra Value Added Tax Act, 2002

Central Sales Tax Act, 1956

The Central Sales tax ("**CST**") is levied on the sale of moveable goods within India in the course of inter-state trade or commerce and is governed by the provisions of the CST. If the goods move between States pursuant to a sale arrangement, then the taxability of such sale is determined by the CST. On the other hand, the taxability of a sale of movable goods within the jurisdiction of the State is determined as per the local sales tax/Value Added Tax legislation in place within such State.

Service Tax

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of 'taxable services', defined therein. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the Government. Every person who is liable to pay this service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, every assessee is required to pay service tax in TR 6 challan by the 6th of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the Company is required to file a quarterly return in Form ST 3 by the 25th of the month immediately following the half year to which the return relates. Every assessee is required to file the quarterly return electronically.

Professional Tax

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

INTELLECTUAL PROPERTY

The Trademarks Act, 1999

Under the Trademarks Act, 1999, ("**Trademarks Act**") a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A 'mark' may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks ("**the Registrar**"), is to be advertised in the trademarks journal by the Registrar. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued by the Registrar. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 years, which may be renewed for similar periods on payment of a prescribed renewal fee

LABOUR LAWS

Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 applies to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months. It provides for payment of gratuity to the employees who have put in a continuous service of five years, in the event of their superannuation, retirement, resignation, death or disablement due to accident or disease: Provided that the completion of continuous service of five years shall not be necessary where the termination of the employment of any employee is due to death or disablement. 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 pay out of ₹ 10,00,000 for an employee.

The Maternity Benefit Act, 1961

The purpose of the Maternity Benefit Act, 1961 is to regulate the employment of pregnant women in certain establishments for certain periods and to ensure that they get paid leave for a specified period before and after childbirth, or miscarriage or medical termination of pregnancy. It provides, inter alia, for payment of maternity benefits, medical bonus and prohibits the dismissal of and reduction of wages paid to pregnant women, etc.

Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 ("**Contract Labour Act**") was enacted to regulate the employment of contract labour in certain establishments and to provide for its abolition in certain circumstances. This act applies to:

- (a) To every establishment in which twenty or more workmen are employed or were employed on any day of the preceding twelve months as contract labour;
- (b) To every contractor who employs or who employed on any day of the preceding twelve months twenty or more workmen provided that the appropriate Government may after giving not less than 2 (two) months' notice, by notification in the Official Gazette, apply the provisions of this Act to any establishment or contractor.

Further, it contains provisions regarding Central and State Advisory Board, registration of establishments, prohibition of employment of contract labour in any process, operation or other work in any establishment by the notification from the State Board, licensing of Contractors and welfare and health of the contract labour. Contract Labour (Regulation and Abolition) Central Rules, 1971 are formulated to carry out the purpose of the Contract Labour Act.

The Minimum Wages Act, 1948

The Minimum Wages Act, 1948 ("**MWA**") came into force with the objective to provide for the fixing of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay not less than the minimum wages to all employees engaged to do any work whether skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA.

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 10 or more, but less than 20 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 up to six months or a fine up to ₹ 1,000 or both.

The Industrial Disputes Act, 1947

The Industrial Disputes Act, 1947 lays down provisions for the investigation and settlement of industrial disputes and for other purposes. "industrial dispute" means any dispute or difference between employers and employers or between employers and workmen, or between workmen and workmen, which is connected with the employment or non-employment or the terms of employment or with the conditions of labour, of any person.

The Equal Remuneration Act, 1976

The Equal Remuneration Act, 1976 provides for payment of equal remuneration to men and women workers and for prevention of discrimination, on the ground of sex. It states that no employer shall pay to any worker, employed by him in an establishment or employment, remuneration, whether payable in cash or in kind, at rates less favourable than those at which remuneration is paid by him to the workers of the opposite sex in such establishment or employment for performing the same work or work of a similar nature.

The Employees' Compensation Act, 1923

The Employees' Compensation Act, 1923 has been enacted with the object to provide compensation to workmen by employers for injuries caused by accident(s) arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. In case the employer fails to pay the compensation under the provisions of the Employees' Compensation Act, 1923 within 1 (one) month from the date it falls due, the employer may be directed to pay the compensation along with the interest.

Other Regulations

The Indian Stamp Act, 1899

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the list, is governed by the provisions of the Indian Stamp Act, 1899 ("the **Stamp Act**") which is enacted by the Central Government. All others instruments are required to be stamped, as per the rates prescribed by the respective State Governments. Stamp duty is required to be paid on all the documents that are registered and as stated above the percentage of stamp duty payable varies from one state to another. Certain states in India have enacted their own legislation in relation to stamp duty while the other states have adopted and amended the Stamp Act, as per the rates applicable in the state. On such instruments stamp duty is payable at the rates specified in Schedule I of the Stamp Act.

Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all. Unstamped and deficiently stamped instruments can be impounded by the authority and validated by payment of penalty. The amount of penalty payable on such instruments may vary from state to state.

The Registration Act, 1908

The Registration Act, 1908 was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act, 1908 was designed was to ensure

information about all deals concerning land so that correct land records could be maintained. The Registration Act, 1908 is used for proper recording of transactions relating to other immovable property also. The Registration Act, 1908 provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

The Transfer of Property Act, 1882

The transfer of property, including immovable property, between living persons, as opposed to the transfer of property by operation of law, is governed by the Transfer of Property Act, 1882 ("**TOPA**"). The TOPA 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. The TOPA recognizes, among others, the following forms in which an interest in an immovable property may be transferred:

- **Sale:** the transfer of ownership in property for a price paid or promised to be paid.
- **Mortgage:** the transfer of an interest in property for the purpose of securing the payment of a loan, existing or future debt, or performance of an engagement which gives rise to a pecuniary liability. The Act recognizes several forms of mortgages over a property.
- **Charges:** transactions including the creation of security over property for payment of money to another which are not classifiable as a mortgage. Charges can be created either by operation of law, e.g. decree of the court attaching to specified immovable property, or by an act of the parties.
- **Leases:** the transfer of a right to enjoy property for consideration paid or rendered periodically or on specified occasions.

The Indian Contract Act, 1872

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

The Specific Relief Act, 1963

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

The Companies Act, 1956

The Companies Act, 1956 deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The 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 Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

Competition Act, 2002

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

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

Permission from Municipal Authorities/Zilla Parishad/Gram Panchayat/any other local authority

The local laws of many states in India require that in order to set up towers and other infrastructure, 'no objection certificates', change of user of land from local authority as applicable, such as, municipal authorities, Zilla Parishad or Gram Panchayat in whose jurisdiction the towers are being constructed are to be obtained.

Regulations regarding Foreign Investment

Foreign investment in infrastructure provider sector is governed by the provisions of the Foreign Exchange Management Act, 1999 ("**FEMA**"), read with the applicable regulations. The Department of Industrial Policy and Promotion ("**DIPP**"), Ministry of Commerce and Industry has issued 'Circular 1 of 2013' (the "**FDI Circular**") which consolidates the policy framework on Foreign Direct Investment ("**FDI**"), with effect from April 05, 2013. The FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till April 4, 2013. All the press notes, press releases, clarifications on FDI issued by DIPP till April 4, 2013 stand rescinded as on April 5, 2013. Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. Under the approval route, prior approval of the Government of India through Foreign Investment Promotion Board ("**FIPB**") is required. FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Where FDI is allowed on an automatic basis without the approval of the FIPB, the Reserve Bank of India ("**RBI**") would continue to be the primary agency for the purposes of monitoring and regulating Foreign Investment. In cases where FIPB approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company. The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India.

The Consolidated FDI Policy dated April 5, 2013 issued by the DIPP, permits foreign investment in the following activities:

- (a) Infrastructure provider providing dark fibre, right of way, duct space, tower (IP Category I);
- (b) Electronic Mail;
- (c) Voice Mail;

In terms of the Consolidated FDI policy dated April 5, 2013, issued by the DIPP, and considering the present business activities of the Company, 100% foreign direct investment in the Company is permitted. Of the aforesaid limit, up to 49% foreign direct investment is permitted under the automatic route and beyond that approval of the FIPB shall be required. If a foreign investor in the subject company is a company listed elsewhere in the world, then such foreign investor shall be required to divest 26% of the total shares held by it in the subject company in favour of the Indian public within 5 (five) years from such listing.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as Suyog Telematics Private Limited on July 28, 1995, under the Companies Act, bearing Registration No. 091107 having its Registered Office in Mumbai, Maharashtra. Subsequently, the Company became a Public Limited Company in pursuance to a special resolution passed by the members of our Company at the EGM held on March 2, 2013. A fresh Certificate of Incorporation consequent to change of name as a result of conversion to a public limited company was issued on July 27, 2013 by the Registrar of Companies, Mumbai, Maharashtra.

We are a growing passive telecommunication infrastructure provider in India, engaged primarily in the business of installing and commissioning of Poles, Towers and Optical Fibre Cable ("OFC") Systems in India "Passive infrastructure" refers to the telecommunication towers for wireless telecommunication services and "OFC" is used for the purpose of hosting and assisting in the operation of the active infrastructure used for transmitting telecommunications signals or transporting voice and data traffic.

Our business is to build, own and operate telecommunication Poles, Towers (particularly Roof-top towers), OFC systems and related assets and to provide these passive infrastructure assets on a shared basis to wireless and other communications service providers. These customers use the space on our telecommunication towers to install active communication-related equipment to operate their wireless communications networks. We also offer services to Telecom Operators in installing Telecom Infrastructure on job work basis.

For further details regarding our business operations, please see the chapter titled "*Our Business*" beginning on page 97 of this Draft Prospectus.

Our Company has eight (8) shareholders, as on the date of this Draft Prospectus.

Major events in the history of our Company:

YEAR	MAJOR EVENT
2000	Assisted in execution of installation and commissioning of MARR, M/w, & OFC Cable for BSNL on contract basis.
2002	Assisted in Commercial Management System Software for BSNL on contract basis
2008	Obtained IP-1 Certificate from DOT
	Entered into agreement for installation of BTS equipments on electric poles on flyovers with MSRDC to improve Mobile Coverage
	BTS Poles on MSRDC Flyovers portfolio crosses 100
	Set up 1 st Roof Top Tower at Nashik
2009	Installed 200 BTS Poles on MSRDC Flyovers
2010	Our owned Tower Portfolio crosses 50 numbers.
2011	Obtained Quality Management System – ISO 9001:2008 Registration
	Set up our OFC Network at Thane
2012	Won the bid to install BTS poles on MMRDA Properties, Skywalk Flyover & Foot-over bridges
2013	Signed agreement for installation of equipments on Bandra Worli Sea Link
	Converted into a Public Limited Company
	Our owned Roof top Poles Portfolio crossed 300 poles

Our registered office since incorporation is located at 41, Suyog Industrial Estate, 1st Floor, LBS Marg, Vikhroli West, Mumbai – 400083.

Main Objects of our Company

The main object of our Company is as follows:

- 1. To carry in India or abroad, either alone or jointly with one or more persons, government, local or other bodies, the business of telecommunication engineering, civil electronics, telecom broadcasting and to manufacture mechanical and electrical telecommunication instruments & computer hardware or software or any other specialized construction and any jobs related with telecom broadcasting whether civil, technical, electronic or mechanical.*
- 2. To carry on the business of Electrical or Electronic contractor shih of fabrication of machines, instruments whether relating to telecommunication, telebroadcasting or computer or otherwise.*

Amendments to the Memorandum of Association

Dates on which some of the main clauses of the Memorandum of Association of our Company have been changed citing the details of amendment as under:

Date	Nature Of Amendment
March 12, 2009	The authorised share capital was increased from ₹ 5,00,000 to ₹ 25,00,000
November 11, 2009	The authorised share capital was increased from ₹ 25,00,000 to ₹ 100,00,000
December 02, 2009	The authorised share capital was increased from ₹ 100,00,000 to ₹ 4,00,00,000
March 02, 2013	Conversion of Private Limited Company to Public Limited Company and subsequent change in name
March 02, 2013	The authorised share capital was increased from ₹ 4,00,00,000 to ₹ 10,00,00,000

Subsidiaries

As on the date of this Draft Prospectus, there are no subsidiaries of our Company.

Joint Ventures

As on the date of this Draft Prospectus, there are no joint ventures of our Company.

Shareholders' Agreement

There are no Shareholders' Agreements existing as on the date of this Draft Prospectus.

Other Confirmations

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

Other Agreements

Except the contracts/agreements entered in the ordinary course of the business carried on or intended to be carried on by our Company, we have not entered into any other agreement/contract as on the date of this Draft Prospectus.

Financial Partners

We do not have any financial partners as on the date of this Draft Prospectus.

Strategic Partners

We do not have any strategic partners as on the date of this Draft Prospectus.

OUR MANAGEMENT

Board of Directors

At present, we have 2 Executive Directors, 1 Chairman & Non-Executive Director and 3 Non-Executive Independent Directors.

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

Sr. No.	Name, Designation, Address and Occupation	Nationality, Term and DIN	Age, Date of Birth	Other Directorships
1	Mr. Gurushantappa Lature Chairman & Non Executive Director <i>Address:</i> Sharda Niwas, Signal Camp, Latur – 413531 <i>Occupation:</i> Business	<i>Nationality:</i> Indian <i>Term:</i> Liable to retire by rotation <i>DIN:</i> 02281331	<i>DoB:</i> March 15, 1943 Age: 71 years	<ul style="list-style-type: none"> Suyog Funicular Private Limited Gurbaxani Ropeways Private Limited Pawan Techno Consultancy Private Limited
2	Mr. Shivshankar Lature Managing Director <i>Address:</i> Flat No. 5/6, Kaveri Apartments, Opp. I I T Market Gate, Powai, Mumbai – 400076 <i>Occupation:</i> Business	<i>Nationality:</i> Indian <i>Term:</i> I 01, 2013 to March 31, 2018 <i>DIN:</i> 02090972	<i>DoB:</i> May 07, 1971 Age: 43 years	<ul style="list-style-type: none"> Supreme Funicular Private Limited Suyog Funicular Private Limited Gurbaxani Ropeways Private Limited
3	Mr. Vivek Lature Whole-Time Director <i>Address:</i> Signal Camp, Suyog Apartment, Near Deshi Kendra High School, Latur – 413531 <i>Occupation:</i> Business	<i>Nationality:</i> Indian <i>Term:</i> August 01, 2013 to July 31, 2018 <i>DIN:</i> 02274098	<i>DoB:</i> June 06, 1973 Age: 41 years	NIL
4	Mr. Kallinath G Chitradurga Non-Executive Independent Director <i>Address:</i> Plot No. 4, B/6 New Trishul Bhawani Nagar, Marol Maroshi Road, Andheri (East), Mumbai 400 059 <i>Occupation:</i> Professional	<i>Nationality:</i> Indian <i>Term:</i> Liable to retire by rotation <i>DIN:</i> 06521670	<i>DoB:</i> June 27, 1947 Age: 65 years	NIL
5	Mr. Deodatta Marathe Non-Executive Independent Director <i>Address:</i> Flat No. 101 Paramount	<i>Nationality:</i> Indian <i>Term:</i> Liable to retire by rotation	<i>DoB:</i> December 23, 1947	<ul style="list-style-type: none"> Suyog Funicular Private Limited Gurbaxani Ropeways Private Limited

Sr. No.	Name, Designation, Address and Occupation	Nationality, Term and DIN	Age, Date of Birth	Other Directorships
	Height, P No. 40, Shivaji Nagar, Nagpur – 440 010 <i>Occupation:</i> Professional	<i>DIN:</i> 02940812	Age: 65 years	
6	Mr. Satyajeet Choudhary Non-Executive Independent Director <i>Address:</i> Flat No. 203, Nakshatra Premlok Park, Chinchwas, Pune – 411 033 <i>Occupation:</i> Professional	<i>Nationality:</i> Indian <i>Term:</i> Liable to retire by rotation <i>DIN:</i> 06521625	<i>DoB:</i> June 23, 1971 Age: 43 years	NIL

For further details on their qualification, experience etc., please see their respective biographies under the heading "Brief Biographies" below.

Other Notes:

- None of the Directors on our Board are related to each other, except for Mr. Shivshankar Lature and Mr. Vivek Lature being sons of Mr. Gurushantappa Lature.
- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director.
- There are no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- None of our directors are/have been directors in any listed company, whose shares have been suspended or delisted from any stock exchange in the past.
- There is no bonus or profit sharing plan for the Directors of our Company.

Brief Biographies

• Mr. Gurushantappa Lature

Mr. Gurushantappa Lature, aged 71 years, is the Chairman of our Company and the father of our principal promoter Mr. SG Lature and has been one of shareholders of the company since incorporation. He was further appointed as the Executive Director of our Company with effect from January 07, 2009. He completed his Diploma in Civil Engineering from the Maharashtra Board. His professional experience includes working as a Junior Engineer for eleven months in the Irrigation Department for Government of Maharashtra and as a Civil Contractor in P. W. D. Maharashtra for 35 years. His functional responsibility in our business involves supervising and guidance to our core leadership team as well as regulatory liaisoning etc.

• Mr. Shivshankar Lature

Mr. Shivshankar Lature, aged 43 years is the Principal Promoter of our Company and was also re-appointed as the Managing Director of our company with effect from April 01, 2013. He completed his B.E. Civil from M. S. Bidve Engineering College in Latur. He has business experience of around 2 decades. He has an in depth knowledge and acumen of the Telecom Infrastructure Industry. His functional responsibility in our Company involves handling the overall business affairs of the Company

including devising business marketing strategies, project management consultancy, business development etc.

- **Mr. Vivek Lature**

Mr. Vivek Lature, aged 41 years, was re-appointed as the Whole-Time Director of our Company with effect from August 01, 2013. He completed his graduation in B.Com from the Hyderabad Board, pursuant to which he passed D. B. M. He has business experience of over 15 years. He is involved in various aspects of our business including finance and accountancy, preparing tenders, and business development etc.

- **Mr. Kallinath G. Chitradurga**

Mr. Kallinath G. Chitradurga, aged 65 years, was appointed as a Non-Executive Independent Director of our Company with effect from July 29, 2013. He completed his Diploma in Mechanical Engineering (Automobile) from the Mysore Board, pursuant to which he completed his Diploma in Business Management. He has also done obtained various professional certificates such as in his field. He has professional experience of over 4 decades of professional experience working with Air India Ltd in various capacities. Currently, he runs his own business under the name "Shimoga Techno Associates" which provides consultation services to a number of private organisations.

- **Mr. Deodatta Marathe**

Mr. Deodatta Marathe, aged 65 years, was appointed as a Non-Executive Independent Director of our Company with effect from July 29, 2013. His education qualifications include being a B.A. (Economics) and B.E. (Civil Engineering). He has a professional experience of around 4 decades in the field of Engineering. He has worked in various capacities for P.W.D. Maharashtra where he retired as Secretary to Government (P.W.) Dept. Maharashtra. Post-retirement he worked as a Member D.A.B. on N.H.A.I Projects and is currently dealing with Arbitration and as a free-lance Consulting Engineer.

- **Mr. Satyajeet Choudhary**

Mr. Satyajeet Choudhary, aged 41 years, was appointed as a Non-Executive Independent Director of our Company with effect from July 29, 2013. He completed his B.E. in Mechanics from the Aurangabad University. He began his professional career at Ganage pressings Ltd. (Pune), where he worked as an Engineer in the Quality Assurance Department for around two years. Currently, he is working for M/s Force Motors Ltd. as a Deputy Manager – Receipt Inspection, where he works in coordination with the Production, Maintenance and Purchase Department. He joined the organisation in February 1996.

Borrowing Powers of our Board of Directors

Pursuant to a Resolution passed by our shareholders at the EGM held on March 02, 2013 and subject to the provisions of the Companies Act, 1956 and other laws in force, our Articles of Association authorize our Board of Directors to borrow any sum or sums of money from time to time at their discretion, for the purpose of the business of the Company on such terms and conditions as it may think appropriate, which together with the monies already borrowed by the Company, (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed at any time, the aggregate of the paid-up capital of the Company and its free reserves (that is to say, reserves, not set apart for any specific purpose) by a sum not exceeding ₹ 5000 lacs. We confirm that the borrowing powers of directors are in compliance with the relevant provision of the Companies Act, 1956.

Remuneration of Directors

a) Executive Directors

- **Mr. Shivshankar Lature, Managing Director**

The compensation package payable to him as resolved in the AGM meeting held on August 10, 2013 is stated hereunder:

Name	Mr. Shivshankar Lature	
Designation	Managing Director	
Appointment/Term	With Effect From April 01, 2013 to March 31, 2018	
Remuneration	Particulars	Amount (in ₹) (p.a.)
	Salary	12,00,000
	Total	12,00,000
Remuneration paid in FY 2012-2013.	Nil	

- **Mr. Vivek Lature, Whole Time Director**

The compensation package payable to him as resolved in the AGM meeting held on August 10, 2013 is stated hereunder:

Name	Mr. Vivek Lature	
Designation	Whole Time Director	
Appointment/Term	With Effect From August 01, 2013 for the Period of 5 years.	
Remuneration	Particulars	Amount (in ₹) (p.a.)
	Salary	6,00,000
	Total	6,00,000
Remuneration paid in FY 2012-2013.	6,00,000	

The above said remuneration and perquisites shall be subject to the ceiling laid down in sections 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions as may be amended from time to time.

b) Non-Executive Directors

The Board of Directors have accorded their approval for payment of sitting fee, in their meeting held on August 02, 2013 whereby the Non-Executive Independent Directors of our Company would be entitled to a sitting fee of ₹ 2,500 for attending every meeting of Board or its committee thereof.

No remuneration was paid to the Non-Executive Directors in the preceding fiscal year.

Shareholding of Directors

The following table sets forth the shareholding of our Directors as on the date of this Draft Prospectus:

Name of Directors	No. of Equity Shares held
Mr. Shivshankar Lature	40,32,000
Mr. Vivek Lature	42,200
Mr. Gurushantappa Lature	42,000
Mr. Kallinath G Chitradurga	0
Mr. Deodatta Marathe	0
Mr. Satyajeet Choudhary	0
TOTAL	41,16,200

Interest of Directors

Except as stated in the chapter titled “*Related Party Transactions*” beginning on page 140 of this Draft Prospectus, all our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them in accordance with the provisions of the Companies Act and in terms of the Articles.

The Directors may also be regarded as interested in the shares, if any, held by them or that may be subscribed by and allotted/transferred to the companies, firms and trusts and other entities in which they are interested as Directors, members, partners and/or trustees or otherwise as also any benefits, monetary or otherwise derived there from.

Interest as to Property

We have not entered into any contracts, agreements or arrangements during the preceding two years from the date of this Draft Prospectus in which our directors are directly or indirectly interested and no payments have been made to them in respect of any contracts, agreements or arrangements which are proposed to be made to them.

Changes in our Board of Directors in the last three years

Name	Date Of Change	Reason
Mr. Vivek Lature	August 01, 2013	Re-Appointed as Whole-Time Director
Mr. Kallinath G Chitradurga	July 29, 2013	Appointed as Non-Executive Independent Director
Mr. Deodatta Marathe	July 29, 2013	Appointed as Non-Executive Independent Director
Mr. Satyajeet Choudhary	July 29, 2013	Appointed as Non-Executive Independent Director

Corporate Governance

The provisions of the listing agreements, to be entered into by our Company with the Stock Exchanges, will be applicable to our Company immediately upon the listing of our Equity Shares with the Stock Exchanges. We have complied with the corporate governance code in accordance with Clause 52 (as applicable) of the listing agreement, particularly in relation to appointment of

Independent Directors to our Board and constitution of the Audit Committee, Shareholders'/ Investors' Grievance Committee and Remuneration Committee.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Clause 52 of the listing agreement. In addition, our Company intends to adopt a code of conduct for prevention of insider trading.

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

- a) Audit Committee
- b) Shareholders'/ Investors' Grievance Committee
- c) Remuneration Committee

Audit Committee

Our Company has constituted an Audit Committee, as per the provisions of Section 292A of the Companies Act. The constitution of the Audit Committee was approved at the Meeting of the Board of Directors held on July 29, 2013. The Committee functions as prescribed under Section 292A of the Companies Act, 1956 and Clause 52 of the listing agreement. The members of the committee at present are:

S. No.	Name	Designation in Committee	Nature of Directorship
1	Mr. Kallinath Chitradurga	Chairman	Independent Director
2	Mr. Vivek Lature	Member	Executive Director
3	Mr. Deodatta Marathe	Member	Independent Director

Powers of the Audit Committee

- a) To investigate any activity within its terms of reference;
- b) To seek information from any employee;
- c) To obtain outside legal or other professional advice; and
- d) To secure attendance of outsiders with reasonable expertise, if considered necessary

The terms of reference of the audit committee are broadly defined as under:

- a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) 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.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d) Appointment, removal and terms of remuneration of internal auditors.
- e) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act 1956;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;

- iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to the financial statements;
 - vi. Disclosure of any related party transactions;
 - vii. Qualifications in the draft audit report.
- f) Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
- g) Monitoring the use of the proceeds of the proposed initial public offering of the Company.
- h) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- i) 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.
- j) Discussions with internal auditors on any significant findings and follow up thereon.
- k) Reviewing internal audit reports and adequacy of the internal control systems.
- l) 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.
- m) Reviewing management letters/letters of internal control weaknesses issued by the statutory auditors
- n) Discussion with internal auditors any significant findings and follow up there on.
- o) 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.
- p) 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.
- q) 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.
- r) To review the functioning of the whistle blower mechanism, when the same is adopted by the Company and is existing.
- s) Carrying out any other function as may be statutorily required to be carried out by the Audit Committee.
- t) The Audit Committee shall have full access to financial and other allied information contained in the records of the Company and external professional advice, if necessary.

Meeting of Audit Committee and relevant Quorum

The audit committee shall meet at least 4 times in a year and not more than 4 months shall elapse between 2 meetings. The quorum shall be either 2 members or one third of the members of the Audit Committee whichever is greater, but there shall be a minimum of 2 Independent Directors, who are members, present.

Shareholders' / Investor' Grievance Committee

Our Company has constituted a Shareholders'/Investors' Grievance Committee. The constitution of the Shareholders'/Investor' Grievance Committee was approved by a Meeting of the Board of Directors held on July 29, 2013. The committee is formed to specifically look into the redressal of shareholder and investor complaints. The members of the committee at present are:

S. No.	Name	Designation in Committee	Nature of Directorship
1	Mr. Gurushantappa Lature	Chairman	Chairman & Non-Executive Director
2	Mr. Shivshankar Lature	Member	Managing Director
3	Mr. Kallinath G Chitradurga	Member	Independent Director

The terms of reference of the Shareholders'/ Investors' Grievance Committee shall be as follows:

- Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- Issue of duplicate / split / consolidated share certificates;
- Allotment and listing of shares;
- Review of cases for refusal of transfer / transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances; and
- To otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

Quorum for Shareholders' / Investors' Grievance Committee

The quorum necessary for a meeting of the Shareholders' / Investors' Grievance Committee shall be 2 members or one third of the members, whichever is greater.

Remuneration Committee

Our Company has constituted a Remuneration/ Compensation Committee. The constitution of the Remuneration Compensation committee was approved by a Meeting of the Board of Directors held on July 29, 2013. The said committee is comprised as under:

S. No.	Name	Designation in Committee	Nature of Directorship
1	Mr. Kallinath G Chitradurga	Chairman	Independent Director
2	Mr. Deodatta Marathe	Member	Independent Director
3	Mr. Satyajeet Choudhary	Member	Independent Director

The terms of reference of the compensation committee are:

- A. To recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/ Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
- B. To be authorized at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole time/ Executive Directors, including pension rights and any compensation payment.

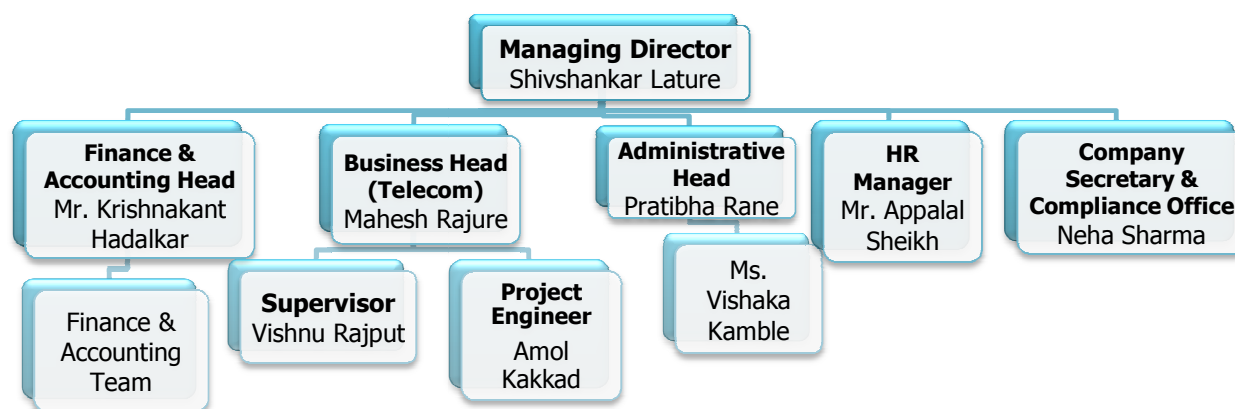
Quorum for Remuneration Committee

The quorum necessary for a meeting of the Remuneration Committee shall be 2 members or one third of the members, whichever is greater.

Policy on Disclosure 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 Equity Shares on the Stock Exchanges. Ms. Neha Sharma, Compliance Officer is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

Management Organisation Structure



Key Managerial Personnel

The details of our Key Managerial Personnel as of the date of this Draft Prospectus are as follows:

Mr. Mahesh Rajure, aged 40 years, is the Business Head (Telecom) of our Company and has been associated with our Company since July 2008. He holds a Bachelors degree in Engineering (Electronics and Telecommunication) from Dr. Babasaheb Ambedkar Marathwada University of Aurangabad. He was previously associated with Punj Lloyd Ltd. and worked as a Liaisoning Officer of Government Organisations such as MSRDC, MMRDA, PWD, MCGM and MBPT. He is a technocrat with over thirteen years of varied experience in the Telecom sector. His areas of expertise in our organisation include installation / technical support and asset and vendor management. The remuneration paid to him for the last Fiscal was ₹ 6.12 lacs.

Mr. Appalal Sheikh, aged 58 years, is the head of the Human Resources Dept. in our Company and has been associated in our Company since August 2006. He holds a bachelor's degree in commerce from the Mumbai University, specialising in Accountancy and Auditing. Prior to joining our Company, he worked as "Stores Clerk" in Digital Electronics Ltd. for sixteen years and as "Stores Officer" for the next five years, pursuant to which he worked as "Stores Officer" in Consolidated Dynamics Pvt. Ltd. for one year. The remuneration paid to him for the last Fiscal was ₹ 2.40 lacs.

Ms. Pratibha Ekhande, aged 37 years, heads the Admin Department in our Company and has been associated with our Company since February 2006. She holds a bachelor's degree in Arts from YCMOU Nasik. She began her professional career in our Company. Her role includes preparation of cash, bank and petty cash voucher, preparation of monthly salary sheet, preparation of invoices, letter drafting, filling tender forms, etc. The remuneration paid to him for the last Fiscal was ₹ 2.40 lacs.

Mr. Krishnakant Halandkar, aged 28 years, is the Finance and Accounts Head in our Company. He has been associated with our company since June 2011. He holds a bachelor's degree in commerce from the Mumbai University, specialising in Financial Accountancy and Auditing. Prior to joining our Company, he worked Duse Fire Systems Pvt. Ltd. and done his Articleship with Joshi & Karandikar Chartered Accountants. His role in the company involves handling accounts of the company, taking care of Stock Audit, making projection for new projects for raising Loans from Banks (Project Financing), handling taxation related issues etc. The remuneration paid to him for the last Fiscal was ₹ 3.60 lacs.

Ms. Neha Sharma, aged 26 years is the Company Secretary and Compliance Officer in our Company and has been associated with our Company since June 2013. She holds a bachelor's degree in commerce from Vikram University, Ujjain. She is an associate member of the Institute of Chartered Accountants of India, an associate member of the Institute of Company Secretaries of India. She has an experience of 3 years post articleship in various secretarial matters. Prior to joining our Company, she was the company secretary and compliance officer at Divya Jyoti Industries Limited.

The aforementioned KMP are on the payrolls of our Company as permanent employees. Also, they are not related parties as per the Accounting Standard 18.

Relationship amongst the Key Managerial Personnel

None of the aforementioned KMP are related to each other and all of them are permanent employees.

Details of Service Contracts of our Key Managerial Personnel

Except for terms set forth in the appointment letters, our Key Managerial Personnel have not entered into any other contractual arrangements with our Company.

Shareholding of Key Managerial Personnel

For details of shareholding of our Key Managerial Personnel in our Company, please see the chapter titled "*Capital Structure*" beginning on page 50 of this Draft Prospectus.

Interest of Key Managerial Personnel

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

Further, if any Equity Shares are allotted to our Key Managerial Personnel prior to/ in terms of this Issue, they will be deemed to be interested to the extent of their shareholding and / or dividends paid or payable on the same.

Bonus or Profit Sharing Plan for the Key Managerial Personnel during the last three years

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

Loans taken by Key Managerial Personnel

None of our Key Managerial Personnel have taken any loan from our Company.

Employee Share Purchase and Employee Stock Option Scheme

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

Payment or Benefit to our Officers

No amount of benefit has been paid or given to any officer of our Company within the two preceding years from the date of filing of this Draft Prospectus or is intended to be paid, other than in the ordinary course of their employment, except reimbursement of mobile telephone bills and free lunch. Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation.

Arrangements and Understanding with major Shareholders

None of our Key Managerial Personnel or Directors has been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Changes in the KMP in the three years preceding the date of this Draft Prospectus


Name	Designation	Date of Joining	Date of Leaving
Mr. Narayan Vasudevan	Business Head (Telecom)	August 04, 2012	April 18, 2013
Mr. Krishnakant Haldankar	Finance & Accounts Head	May 11, 2011	-
Ms. Neha Sharma	Company Secretary & Compliance Officer	June 04, 2013	-

OUR PROMOTER, PROMOTER'S GROUP AND GROUP COMPANIES

OUR PROMOTER

Mr. Shivshankar G. Lature is the Principal Promoter of our Company.

The details of our Promoter are provided below:

	Mr. Shivshankar G. Lature
	PAN: AAJPL4745P
	Passport No.: G1729115
	Driver's License No.: N.A.
	Voter's ID No.: UUP2380152
	Bank A/c No.: 0117261100008
	Name of Bank & Branch: Canara Bank – Vikhroli (W)

For additional details on the age, background, personal address, educational qualifications, experience, positions/posts and Directorship held in the past, please see the chapter titled "Our Management" beginning on page 123 of this Draft Prospectus.

For details of the build-up of our Promoter's shareholding in our Company, please see "Capital Structure –Notes to Capital Structure" on page 50 of this Draft Prospectus.

Other Understandings and Confirmations

We confirm that the PAN, the Bank Account Number and the Passport Number of the Promoter shall be submitted to the Stock Exchange where the securities of our Company are proposed to be listed, at the time of filing of this Draft Prospectus with the Stock Exchange.

Our Promoter, the members of our Group Companies and relatives of our Promoter (as per the Companies Act) have confirmed that they have not been identified as wilful defaulters by the RBI or any other governmental authority.

No violations of securities laws have been committed by our Promoter or members of our Promoter Group or any Group Companies in the past or are currently pending against them. None of (i) our Promoter, Promoter Group or Group Companies or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which our Promoter are or were associated as a Promoter, Director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Outstanding Litigation

There is no outstanding litigation against our Promoter except as disclosed in the section titled "Risk Factors" and chapter titled "Outstanding Litigations & Material Developments" beginning on pages 11 and 183 of this Draft Prospectus, respectively.

Companies with which the Promoter has disassociated in the last three years

Except as disclosed below, our Promoter has not disassociated himself from any of the companies, firms or entities during the last three years preceding the date of this Draft Prospectus:

Sr. No.	Name of the Company	Particulars of Disassociation
1	Suyog Urja Pvt. Ltd.	Shivshankar Lature was appointed as Director in the company on September 11, 2008 and due to personal reasons he has subsequently resigned from the company w.e.f. December 29, 2012. He do not/did not hold any shares in the company.

Interests of Promoter and Common Pursuits

The Promoter of our Company is interested to the extent that he has promoted our Company and that he along with his relatives and other members of the Promoter Group hold Equity Shares in our Company. For details on the shareholding of our Promoter and Promoter Group in our Company, please see the chapter titled "*Capital Structure*" beginning on page 50 of this Draft Prospectus.

The Promoter is also the Director of the Company and hence may be interested to the extent of his remuneration and reimbursement payable to him by the Company. For further details, please see the Chapter titled "*Our Management*" beginning on page 123 of this Draft Prospectus.

Interest of Promoter in the Promotion of our Company

Our Company is promoted by Mr. Shivshankar Lature in order to carry on its present business. Our Promoter is interested in our Company as mentioned in this chapter above, under the heading "*Interests of Promoter and Common Pursuits*" and to the extent of his shareholding and directorship in our Company and the dividend declared, if any, by our Company.

Interest of Promoter in the Property of our Company

Our Company occupies certain properties (rent free) which are owned by our Promoter and his relatives pursuant to MOUs. The relevant details of such MOUs are given below –

Sr. No	Description of Property	Name of Owner / Lessor/ Landlord etc.	Consideration	Lease/Occupancy Rights Valid upto
1	Registered Office: 41, Suyog Industrial Estate, 1st Floor, LBS Marg, Vikhroli West, Mumbai – 400083. 1084 sq ft	Mr. Gurushantappa Lature	Security Deposit: ₹ 2,20,00,000 Monthly Rent: Nil	February 28, 2023
2	Branch Office: 801/ A, Manas Residency, Opp. Teen Petrol Pump, Panchpakhadi, Thane (W) – 400604 864 sq ft	Mr. Shivshankar Lature	Security Deposit: ₹ 75,00,000/- Monthly Rent: Nil	February 28, 2022

Sr. No	Description of Property	Name of Owner / Lessor / Landlord etc.	Consideration	Lease/Occupancy Rights Valid upto
3	Branch Office & Godown: Ground Floor, Suyog Apartment, Near Rishikendra High School, Signal Camp, Latur – 413512 1000 sq ft	Mr. Shivshankar Lature	Interest Free Security Deposit: ₹ 40,00,000/- Monthly Rent: Nil	February 28, 2022
4	Godown: Office No. 104, 1 st Floor, "XL Plaza" Village Tirandas, Near Bhavan Industrial Estate, IIT Market, Powai, Mumbai – 400076	Mr. Shivshankar Lature	Interest Free Security Deposit: ₹ 40,00,000/- Monthly Rent: Nil	February 28, 2022
5	Branch Office & Godown: 1st Floor, 60, Ansari Road, Near Natraj Cinema, Dehradun – 248 001 500 sq ft	Dr. Navinkumar Jain	Interest Free Security Deposit: ₹ 10,000/- Monthly Rent: ₹ 5,500/-	March 20, 2016
6	Branch Office: 18, Suyog Industrial Estate, 1st Floor, LBS Marg, Vikhroli West, Mumbai – 400083. 1084 sq ft	Mr. Shivshankar Lature	Security Deposit: ₹ 1,00,00,000/- Monthly Rent: Nil	June 30, 2021

Except as stated elsewhere in this Draft Prospectus, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Prospectus in which our Promoter is directly or indirectly interested and no payments have been made to him in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

Further, except as disclosed in this chapter, our Promoter does not have any interest in any venture that is involved in any activities similar to those conducted by us.

Interest of Promoters in our Company other than as Promoter

Other than as promoter, our Promoter is interested in our Company to the extent of his shareholding and directorship in our Company and the dividend declared, if any, by our Company. For details, please see the chapters titled "*Our Management*", "*Capital Structure*" and "*Financial Indebtedness*" on pages 123, 50 and 181, of this Draft Prospectus respectively.

Except as mentioned in this chapter and the chapters titled "*Our Business*", "*History and Certain Corporate Matters*", "*Financial Indebtedness*" and "*Related Party Transactions*" on pages 97, 120, 181 and 140 of this Draft Prospectus, respectively, our Promoter does not have any interest in our Company other than as Promoter.

Payment of benefits to the Promoter

Except as stated in “Annexure XXVI – Related Party Transactions” of the “Auditor’s Report” on page 165 of this Draft Prospectus, there has been no payment of benefits to the Promoters during the two years preceding the date of this Draft Prospectus.

Related Party Transactions

Except as disclosed in the chapter titled “Related Party Transactions” beginning on page 140 of this Draft Prospectus, our Company has not entered into related party transactions with our Promoter or our Group Companies.

Shareholding of the Promoter Group in our Company

For details of shareholding of members of our Promoter Group as on the date of filing of this Draft Prospectus, please see “Capital Structure” beginning on page 50 of this Draft Prospectus.

Other confirmations

Our Company has neither made any payments in cash or otherwise to the Promoter or to firms or companies in which our Promoter is interested as members, directors or promoters nor has our Promoter been offered any inducements to become director or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company otherwise than as stated in “Financial Information Annexure XXVI – Related Party Transactions” on page 165 of this Draft Prospectus.

OUR PROMOTER GROUP AND GROUP COMPANIES

In addition to our Promoter named above, the following natural persons and companies form part of our Promoter Group.

1. Natural Persons

The natural persons who are part of our Promoter Group (being the immediate relatives of our Promoters), apart from our individual Promoters mentioned above, are as follows:

Name of the Promoter	Name of the Relative	Relationship with the Promoter
Shivshankar Lature	Gurushantappa Lature	Father
	Sharada Lature	Mother
	Suchitra Lature	Wife
	Arvind Lature, Vivek Lature and Somnath Lature	Brother(s)
	Suyash Lature	Son(s)
	Subhashita Lature	Daughter(s)
	Manohar Modi	Wife’s Father
	Rahul Modi	Wife’s Brother(s)

2. Promoter Group Companies and Entities

Particulars	Name of Group Entity
any body corporate in which ten per cent. Or more of the equity share capital is held by the promoter or an immediate relative of the promoter or a firm or Hindu Undivided Family in which the promoter or any one or more of his immediate relative is a member;	<ul style="list-style-type: none"> Suyog Gurbaxani Funicular Ropeways Pvt. Ltd.*
any body corporate in which a body corporate as provided in (A) above holds ten per cent. Or more, of the equity share capital;	NIL
any Hindu Undivided Family or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than ten per cent of the total;	<ul style="list-style-type: none"> Lature Brothers & Co. **

* This company forms part of our Promoter Group as our Promoter holds 25% and his immediate relative holds 25% of the equity share capital. However, we do not have complete management control over this company.

** This is a partnership concern, which is controlled by the immediate relatives of the Promoter.

3. Group Companies

Except for our Company, no other company has been promoted by the promoters (i.e. having more than 51% voting rights as well as majority management control).

RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please see Annexure XXVI on page 165 of this Draft Prospectus under the section titled "*Financial Information*".

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

Auditor's Report

To,
The Board of Directors,
Suyog Telematics Limited
Mumbai

Dear Sirs,

We have examined the Restated Summary Financial Statements and Other Financial Information of SUYOG TELEMATICS LIMITED (the 'Company') for each of the five financial years ended March 31, 2009, 2010, 2011, 2012 and 2013 based on the audited financial statements reviewed by us annexed to this report and initialled by us for identification. The said Restated Summary Financial Statements and Other Financial Information have been prepared for the purposes of inclusion in the Red Herring Prospectus / Red Herring Prospectus / Prospectus (collectively hereinafter referred to as "Offer Document") in connection with the proposed Initial Public Offer ("IPO") of the Company in accordance with the requirements of:

- (i) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 (the 'Act');
- (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the 'SEBI Regulations') issued by the Securities and Exchange Board of India ('SEBI'); and the related clarifications issued by the Securities and Exchange Board of India as amended to date;
- (iii) The terms of our letter of engagement dated 15th June 2013 with the Company requesting us to carry out assignment in connection with the Offer Document being issued by the Company for its proposed IPO.

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

A. Restated Summary Financial Statements:

1. We have examined the attached 'Summary financial Statement of Assets and Liabilities, As Restated' (Annexure I) as at March 31, 2009, 2010, 2011, 2012 & 2013 has been examined and the attached 'Summary Statement of Profits and Losses, As Restated' (Annexure II) and the attached 'Summary Statement of Cash Flows, As Restated' (Annexure III) for the years ended March 31, 2009, 2010, 2011, 2012 & 2013 which have been extracted by the management and approved by the board of directors. Review of the financial year 2012-13 was conducted by us and the audit for all the financial years viz, for the financial year ended March 31, 2012, March 31, 2011 and March 31, 2010 has been conducted by M/s. Rambhia & Dedhia, Chartered Accountants, for the financial year ended March 31, 2009 is conducted by M/s. Jayesh S. Vora, Chartered Accountants and for the financial year ended March 31, 2008 is conducted by M/s. Asutosh Srivastava & Co. We have relied on these financial statement and we have not carried out any audit tests or review procedures on such financial statements of the company for the years ended on these respective dates. Since we did not performed the audit for the above years, the financial information including the notes and other disclosures included for such years is solely based on audit report submitted by the respective chartered accountants for the relevant years. Representations have been taken from the management for the additional information for

these years. (Annexure I, II and III are collectively referred to in this report as the "Restated Summary Financial Statements").

2. The Restated Summary Financial Statements are after making adjustments and regroupings as in our opinion were appropriate and more fully described in the 'Statement of Significant Accounting Policies' and 'Notes to the Re-stated Financial Statements' (Annexure IV) and (Annexure V) respectively.
3. In accordance with the requirements of paragraph B (1) of Part II of Schedule II of the Companies Act, 1956, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 and terms of our engagement agreed with the company, and based on our examination of the Restated Summary Statements, we confirm that:
 - a. The Restated summary Financial Statement - the restated summary statement of assets and liabilities, the restated summary statement of profit and loss, and the restated summary statement of cash flow ("summary statements") of the company, for the year ended March 31, 2013, 2012, 2011, 2010 and 2009 has been examined by us, as set out in annexure-I, II and III to this report read with and subject to the adjustment in respect of certain previous year audit qualifications as referred to at point no. 2, Annexure V - Notes to the restated Financial statements and other observations as given herein after, are after making material adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes to the financial statements (refer annexure- IV & V).
 - b. Based on and subject to our comments as above, we are of the opinion that restated financial information have been made after incorporating:
 - i. Adjustments if any, made for the changes in Accounting Policies and Estimates adopted by the Company with retrospective effect to reflect the significant accounting policies being adopted by company as on 31st March, 2013 are explained in annexure V to this report.
 - ii. The "Restated Summary Financial Statements" have to be read in conjunction with the Significant Accounting Policies and Notes given in Annexure IV of this report.
 - iii. Amounts if any, relating to adjustments for previous years have been identified and adjusted in the statements in the year to which they relate;
 - iv. There are no extra-ordinary items that need to be disclosed separately in the Restated Summary financial Statements;
 - v. There are no qualifications in auditor's reports for incorrect accounting policies that require Adjustment in the Restated Summary Statements except for the adjustment in respect of certain previous year audit qualifications as referred to at point no. 2, Annexure V - Notes to the restated financial statements.

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

B. Other Financial Information:

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

Annexure VI	: Statement of Reserves and Surplus, as restated
Annexure VII	: Statement of Long Term Borrowings, As Restated
Annexure VIII	: Statement of Short term Borrowings, as restated
Annexure IX	: Statement of Fixed Assets, as restated
Annexure X	: Statement of Trade Receivables, as restated
Annexure XI	: Statement of Long term Loans and Advances, as restated
Annexure XII	: Statement of Other Non Current Assets, as restated
Annexure XIII	: Statement of Other Current Liabilities, as restated
Annexure XIV	: Statement of Short Term Provisions, as restated
Annexure XV	: Statement of Short Term Loans & Advances, as restated
Annexure XVI	: Statement of Other Current Assets, as restated
Annexure XVII	: Statement of Revenue from operations, as restated
Annexure XVIII	: Statement of Other Non-Operating income, as restated
Annexure XIX	: Statement of Cost of materials consumed, as restated
Annexure XX	: Statement of Employee benefits expense, as restated
Annexure XXI	: Statement of Finance costs, as restated
Annexure XXII	: Statement of Other expenses, as restated
Annexure XXIII	: Statement of Accounting Ratios
Annexure XXIV	: Statement of Capitalization
Annexure XXV	: Statement of Contingent Liabilities
Annexure XXVI	: Statement of Related Parties & Transactions
Annexure XXVII	: Statement of Tax Shelter
Annexure XXVIII	: Statement of Dividends
Annexure XXIX	: Statement of Segment Reporting

5. In our opinion, the Restated Summary Financial Statements and the other Financial Information set forth in Annexure I to XXIX read with the significant accounting policies and notes to the restated financial statements have been prepared in accordance with Part II of Schedule II of the Act and the SEBI Regulations and the Guidance Note on the reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (ICAI).

Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regrouping and adjustments, the amount reported in the financial information may not necessarily be the same as those appearing in the respective audited financial statements for the relevant years.

6. This report should not in any way construed as a reissuance or redrafting of any of the previous audit report issued by us or by any other firm of Chartered Accountants nor should this report be construed as new opinion on any of the financial statement referred to therein.
7. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
8. This report is intended solely for your information and for inclusion in the Offer document in connection with the Company's proposed IPO of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

As per our report attached

For and on behalf of
MAHESHWARI & COMPANY
Chartered Accountants
(Firm Reg. No: 105834W)

Maloo Krishan Kumar
(M. No. 075872)
Partner

Place: Mumbai
Date: August 12, 2013

ANNEXURE I: STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(₹ in lacs)

Particulars	As at 31 st March				
	2013	2012	2011	2010	2009
I. EQUITY AND LIABILITIES					
1.Shareholders' funds					
(ii) Share capital	232.50	210.00	210.00	210.00	1.00
(ii) Reserves and surplus	336.50	208.89	136.61	73.06	17.32
B. Share application money pending allotment	0.00	40.00	0.00	0.00	0.00
3.Non-current liabilities					
(iii) Long-term borrowings	0.00	0.00	0.00	0.00	15.00
(iv) Deferred tax liabilities (Net)	(1.31)	4.21	0.47	0.00	0.00
4.Current liabilities					
(v) Short-term borrowings	906.59	214.02	349.89	227.13	85.21
(vi) Trade payables	93.52	146.26	122.63	118.52	9.64
(vii) Other current liabilities	385.43	171.48	288.08	131.09	10.17
(viii) Short-term provisions	0.00	4.03	0.00	0.00	0.00
Total	1953.33	998.86	1107.69	759.81	138.33
II. ASSETS					
1.Non-current assets					
(iv) Fixed assets					
(a) Tangible assets	470.61	160.33	114.43	0.72	0.04
(b) Capital Work in Progress	65.96	11.57	36.93	39.51	0.00
(v) Long-term loans and advances	774.83	333.63	59.23	53.99	41.76
(vi) Other non-current assets	11.44	8.69	8.10	0.00	0.00
2.Current assets					
(vi) Inventories	30.25	74.56	76.39	37.42	0.00
(vii) Trade receivables	168.66	105.22	156.28	96.74	15.17
(viii) Cash and cash equivalents	4.69	5.25	20.42	41.57	3.51
(ix) Short-term loans and advances	422.00	268.55	604.32	489.86	77.86
(x) Other current assets	4.88	31.04	31.58	0.00	0.00
Total	1953.33	998.96	1107.69	759.81	138.33

III. Notes & Accounting Policies forming part of The Financial Statements

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

ANNEXURE II: STATEMENT OF PROFITS AND LOSSES, AS RESTATED

(₹ in lacs)

Particulars	As at 31 st March				
	2013	2012	2011	2010	2009
VIII. Revenue from operations	888.79	908.68	565.64	483.43	181.92
IX. Other income	3.44	0.93	1.22	5.91	0.00
X. Total Revenue (I+II)	892.23	909.61	566.87	489.34	181.92
XI. EXPENSES					
Cost of materials consumed	60.01	185.91	34.15	102.30	55.32
Purchase of Stock in Trade	5.05	0.00	0.00	0.00	0.00
Employee benefits expense	45.20	47.49	34.97	17.74	10.05
Finance costs	139.45	38.84	33.85	13.60	4.30
Depreciation	50.51	19.17	11.38	0.06	0.01
Other expenses	445.22	501.09	350.40	252.17	92.02
Total Expenditure	745.45	792.50	464.75	385.87	161.70
XII. Profit before tax (III-IV)	146.78	117.11	102.11	103.47	20.22
XIII. Tax Expenses					
Current Tax	52.20	41.09	38.09	32.72	6.34
Deferred tax	(5.53)	3.74	0.47	0.00	0.00
XIV. Profit (Loss) for the period from continuing operations (V-VI)	100.11	72.28	63.55	70.75	13.88

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

ANNEXURE III: STATEMENT OF CASH FLOWS, AS RESTATED

(₹ in lacs)

Particulars	2013	2012	2011	2010	2009
A. Cash Flows from operating activities					
Net Profit before tax	146.78	117.11	102.11	103.47	20.22
Adjustments for:					
Depreciation	50.51	19.17	11.38	0.06	0.01
Bad Debts Written Off	12.65	-	-	-	-
Interest expense	139.45	38.84	33.85	13.60	4.30
Interest income	(3.11)	(0.72)	(1.22)	(5.63)	-
Operating cash generated before working capital changes and taxes	346.29	174.40	146.12	111.50	24.53
(Increase) / Decrease in Inventory	44.31	1.83	(38.97)	(37.42)	-
(Increase) / Decrease in Trade Receivable	(76.09)	51.06	(59.55)	(81.57)	(15.17)
(Increase) / Decrease in Loans, Advances & Other Assets	(563.59)	62.78	(159.19)	(426.80)	(100.06)
Increase / (Decrease) in Current Liabilities including trade payables & provisions	161.31	(92.98)	161.10	229.80	19.41
Operating cash generated before taxes	(87.78)	197.09	49.52	(204.49)	(71.29)
Direct Tax paid	(63.64)	(38.55)	(38.28)	(30.15)	(13.03)
Net cash generated from operating activities (A)	(151.62)	158.54	11.24	(234.64)	(84.32)
B. Cash Flows from investing activities					
Purchase of fixed assets	(415.18)	(39.71)	(122.52)	(40.24)	-
Interest Income	3.11	0.72	1.22	5.63	-
Net Cash generated from investing activities (B)	(412.07)	(38.99)	(121.29)	(34.62)	-
C. Cash flow from financing activities					
Proceeds from issue of share capital/premium	10.00	40.00	-	194.00	-
Increase / (decrease) in Loans (Liabilities)	692.57	(135.87)	122.76	126.93	85.21
Interest paid	(139.45)	(38.84)	(33.85)	(13.60)	(4.30)
Net cash from financing activities [C]	563.12	(134.71)	88.90	307.32	80.90
Net increase / decrease in cash and cash equivalents (A + B + C)	(0.57)	(15.16)	(21.16)	38.06	(3.42)
Opening balance of cash and cash equivalents	5.25	20.42	41.57	3.51	6.92
Closing balance of cash and cash equivalents	4.69	5.25	20.42	41.57	3.51

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

ANNEXURE IV: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES, AS RESTATED

i) Basis of preparation of financial statements :

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

ii) Use of Estimates :

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

iii) Cash Flow :

Cash flow statement has been prepared in accordance with the "indirect method" as explained in the Accounting Standard 3 issued by the Institute of Chartered Accountants of India

iv) Fixed Assets :

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

v) Depreciation :

Depreciation is provided for in the books on written down value method as per the rates prescribed under Schedule XIV of the Companies Act 1956 except on pole. Depreciation provided on pole is on straight line method considering the estimated useful life of 7 years & Depreciation Provided on Duct & Tower is on Straight Line Method considering the estimated useful life of 10 years. A Depreciation has been charged from the month of the date of purchases/commissioning of the assets acquired/installed during the period.

vi) Income Recognition :

Revenue from the installation services is recognized on transfer of the title as per the Contact Terms with the Customer. Revenue from fixed-price, fixed-time frame contracts, where there is no uncertainty as to the measurement or collectability of consideration that will be derived on completion of the contract, is recognized as per the percentage of completion method. Interest on deposits, Rent and Maintenance is accounted for on the time proportion basis.

vii) Foreign Currency Translation :

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

Foreign currency assets and liabilities are translated at the period end rates and the resultant exchange differences, are recognized in the profit and loss account.

viii) Borrowing Cost :

Borrowing Costs that are directly attributable to the acquisition or production of qualifying assets are capitalized as the cost of the respective assets. Other Borrowing Costs are charged to the Profit and Loss Account in the period in which they are incurred.

ix) Employees benefits :

All employee benefit obligations payable wholly within twelve months of the rendering the services are classified as Short Term Employee Benefits. Such Benefits are estimated and provided for in the period in which the employee renders the related service.

x) Inventories

Inventories are measured at lower of the cost and net realizable value. Cost of inventories comprises all costs of purchase (net of input credit) and other costs incurred in bringing the inventories to their present location and condition. Costs of consumable and materials are determined by using the First-In First-Out Method (FIFO).

xi) Investments:

Investments are carried at cost. Decline in the value of long term investments is recognised only if considered other than temporary. Current investments are carried at the lower of cost and quoted/fair value.

xii) Accounting for taxes on Income :

- i.) Income tax comprises the current tax and net change in deferred tax assets, which are made in accordance with the provisions as per the Income Tax Act, 1961.
- ii.) Deferred Tax resulting from timing differences between accounting income and taxable income for the period is accounted for using the tax rates and laws that have been enacted or substantially enacted as at the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

xiii) Leased Assets :

Assets acquired on leases where a significant portion of the risks and rewards of the ownership are retained by the lessor, are classified as Operating Leases. The rental and all other expenses of leased assets are treated as revenue expenditure.

xiv) Provisions and Contingent Liabilities :

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

xv) Impairment of Assets :

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

xvi) Cash and cash equivalents :

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

ANNEXURE V: NOTES TO THE RESTATED FINANCIAL STATEMENTS

1. Background

Suyog Telematics Limited (referred to as "Company") is serving Mobile Telecom Industry as exporter and Service provider of Telecommunication Products and Services. The Company makes available Telecommunication products such as Telecommunications Cables, Telecommunication Panels, Diesel Generators, Earth Strips, Batteries, Electric Power Cable, Fibre Cable and Galvanized Poles etc. in different specifications stated by the buyers. Having association to bring Funicular Ropeway Project to India for the first time, the company has emerged as a prominent name in telecommunication industry. As well, the company is a name to reckon with when it comes to Monopole sites for telecom operators and acquisition of special properties and Project Management. The name of the company has been changed from **Suyog Telematics Private Limited** to **Suyog Telematics Limited** on July 27, 2013

The Restated Statement of Assets and Liabilities as at March 31, 2013, 2012, 2011, 2010 & 2009 and the related Restated Statement of Profits and Losses and Cash Flows for the years ended March 31, 2013, 2012, 2011, 2010 & 2009 (herein collectively referred to as — Restated Financial Statements) related to the Company have been prepared specifically for inclusion in the offer document to be filed by the Company with Securities and Exchange Board of India (SEBI) in connection with the proposed initial public offering of equity shares of the Company.

The Restated Financial Statements have been prepared to comply in all material respects with the requirements of paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act') and the Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations,

2009, as amended (the "SEBI Regulations") issued by SEBI in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992.

2. Material Adjustments

The material adjustments required to restate the Profit & Loss Account & Balance Sheet are given in as under. Except the below stated changes, there have been no changes required in the restated financials of company in the last five years.

Particulars	2013	2012	2011	2010	2009
Profit after tax as per audited Profit & Loss Account	99.60	75.90	62.37	70.32	12.36
Adjustments to Profit & Loss Account					
Adjustments related to Depreciation	(3.92)	0.95	1.00	(0.23)	2.20
Adjustments related to Sundry Expenditure	0.10	0.00	0.00	(0.10)	0.00
Adjustments related to Income Tax	1.24	(0.32)	(0.34)	0.11	(0.68)
Adjustments related to Deferred Tax	3.09	(4.25)	0.52	0.64	0.00
Gross effect on P&L	0.51	(3.62)	1.18	0.42	1.52
Profit as per restated Profit & Loss Account	100.11	72.28	63.55	70.74	13.88

STATEMENT OF ADJUSTMENTS TO AUDITED BALANCESHEET

(₹ in lacs)

Particulars	2013	2012	2011	2010	2009
Reserves and Surplus					
- Profit and Loss Account	0.51	(3.62)	1.18	0.42	1.52
Non Current Assets					
- Fixed Assets	3.92	(0.95)	(1.00)	0.23	(2.20)
Long Term Loans & Advances					
- Prepaid Taxes	(1.24)	0.00	0.34	(0.11)	0.68
Cash and cash equivalents					
- Balances with Bank	(0.10)	0.00	0.00	0.10	0.00
Short Term Provisions					
- Provision for Tax	0.00	0.32	0.00	0.00	0.00
Non Current Liabilities					
- Deferred Tax Liabilities	(3.09)	4.25	(0.52)	(0.64)	0.00

3. Non-Adjustment Items

Audit qualifications for the respective periods, which do not require any corrective adjustment in these Restated Financial Statements of the Company are as follows:

a) Financial Year ended March 31, 2013

CARO Qualifications:

1. According to the records of the Company, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales tax, Wealth tax, Service tax, Custom

duty, Excise duty, cess and any other statutory dues, with appropriate authorities. and the extent of the arrears of outstanding statutory dues as at the last day of the financial year are INR 4538805/-, INR 102975/-, INR 313428/-, INR 6799169/- on account of Service Tax, Professional Tax, Income Tax & TDS respectively.

2. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, customs duty and excise duty were outstanding, as at 31st March 2013 for a period of more than six months from the date were they became payable except the followings.

Sr. No.	Particulars	Amt. O/s for more than 6 months	Period to which amount relates
1	Income Tax	3,13,428	2009-10
	Service Tax	5,39,692	2011-12
2	Service Tax	7,76,042	2009-10
	Service Tax	5,00,000	2010-11
	Professional Tax	48,075	2011-12
3	Professional Tax	24,700	2010-11
	Professional Tax	11,850	2012-13
4	Tax Deducted at Source	54,97,513	2012-13

b) Financial Year ended March 31, 2012

CARO Qualifications:

1. The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including wealth tax, custom duty, excise duty and other statutory dues, applicable to it except for Service Tax, Sales Tax, Professional Tax and Income Tax. Service Tax dues as at the end of the year were ₹ 50,80,749/-, Sales tax of ₹ 99,265/-, Professional Tax of ₹ 72,775/- and that of Income tax were ₹ 3,13,428/-.
2. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, customs duty and excise duty were outstanding, as at 31st March, 2012 for a period of more than six months from the date were they became payable except the followings.

Sr. No.	Particulars	Amt. O/s for more than 6 months
1	Income Tax	3,13,428
2	Service Tax	15,25,405
3	Sales Tax	61,935
4	Professional Tax	24,700

c) Financial Year ended March 31, 2011

CARO Qualifications:

1. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, customs duty and excise duty were outstanding, as at 31st March, 2011 for a period of more than six months from the date were they became payable except the followings.

Sr. No.	Particulars	Amt. O/s for more than 6 months
1	Income Tax	3,68,972
2	Service Tax	32,54,201
3	Sales Tax	6,13,430
4	Professional Tax	7,225

4. Material Regroupings

Appropriate adjustments have been made in the restated summary statements of Assets and Liabilities, Profits and Losses and Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the audited financial statements of the Company for the year ended March 31, 2013 and the requirements of the SEBI Regulations.

5. Contingent Liabilities not provided for are given as Annexure XV.
6. Related Party Disclosures as required in terms of 'Accounting Standard -18 are given in Annexure XVI.
7. Earnings Per Share (EPS) as required in terms of 'Accounting Standard -20 are given in Annexure XIII.
8. In the opinion of the management, current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and similarly all liabilities are payable as on balance sheet date.
9. Balances of Long Term Liabilities, Current Liabilities i.e. Trade Payables, Short Term Liabilities & Other Current Liabilities & Long Term Loans and Advances, Other non Current Assets, Trade Receivables, Short Term Loans and Advances, Sundry Deposits and Other Current Assets are subject to Confirmations, Reconciliation and Consequential Adjustments, if any thereon.
10. In view of Accounting Standard required by AS-28 "Impairment of Assets" issued by ICAI, the company has reviewed its fixed assets and does not expect any loss as on 31st March, 2013 on account of impairment.
11. The Company is mainly engaged in single segment business of Telecommunication Products and Services, which is managed as one entity and governed by a similar set of risk and returns. Further, operations of the Company is confined to the single geographic segment i.e. India and does not qualify for reporting as geographic segment. Further, in view of the Accounting Standard Interpretation (ASI) 20, issued by the Institute of Chartered Accountants of India for companies operating in single segment, the disclosure requirements as per Accounting Standard 17 "Segment Reporting" are not applicable to the Company.
12. Details required as per Companies Act to the extent applicable is given below:

Particulars	Financial year ended				
	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
Remuneration to Auditors					
Audit Fees	1,75,000	47,500	45,000	45,000	40,000
Tax Audit	70,000	37,500	35,000	35,000	25,000

Particulars	Financial year ended				
	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
Other Fees	00,000	65,000	20,000	20,000	10,000
Total	2,45,000	1,50,000	1,00,000	1,00,000	75,000

13. Deferred tax asset / liability comprised of the following: -

Particulars	Financial year ended 31 st March				
	2013	2012	2011	2010	2009
Deferred Tax Liability recognized for timing difference					
DTL on Depreciation	836,716	1,11,704	47,413	27	-
Total Deferred Tax Liability (A)	836,716	1,11,704	47,413	27	-
Deferred tax Asset recognized for timing difference					
On statutory liabilities	499,838	-	-	-	-
Total Deferred Tax Asset (B)	499,838	-	-	-	-
Net Deferred Tax Liability as per balance Sheet (A-B)	336,878	1,11,704	47,413	27	-

ANNEXURE VI: STATEMENT OF RESERVES AND SURPLUS, AS RESTATED

Particulars	As at Financial year ended 31 st March				
	2013	2012	2011	2010	2009
Share Premium Account					
Opening Balance	-	-	-	-	-
Current Year Profit/ Profit during period	27.50	-	-	-	-
Total	27.50	-	-	-	-
Less: Amount utilized for issue of Bonus shares	-	-	-	-	-
Total (A)	27.50	-	-	-	-
Profit and Loss Account					
Opening Balance	208.89	136.61	73.06	17.32	3.43
Current Year Profit/ Profit during period	100.11	72.28	63.55	70.75	13.88
Total	309.00	208.89	136.61	88.06	17.32
Less: Amount utilized for issue of Bonus shares	0.00	0.00	0.00	15.00	0.00
Total (B)	309.00	208.89	136.61	73.06	17.32
Total (A+B)	336.50	208.89	136.61	73.06	17.32

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

ANNEXURE VII: STATEMENT OF LONG TERM BORROWINGS, AS RESTATED

Particulars	As at Financial year ended 31 st March				
	2013	2012	2011	2010	2009
Loan from Other Parties					
Unsecured	0.00	0.00	0.00	0.00	15.00
Total	0.00	0.00	0.00	0.00	15.00

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

Principal Terms and Conditions and Security of the Secured Loans outstanding:

Name of Bank	Type of Facility	Interest Rate	Security	Repayment Schedule	Terms in case of Default/penalty
Canara Bank	Cash Credit – Sanctioned Limit ₹ 225 lacs & DPN Project Specific Limit ₹ 200 lacs	14.50% p.a. floating	<p>Primary Security: Hypothecation Charge over the company's Stock & book debts.</p> <p>Collateral Security: Equitable Mortgage Charge Over:</p> <ol style="list-style-type: none"> 1. Gala No. 41, 1st Floor, Suyog Industrial Estate premises Co-op Soc., LBS Marg, Vikhroli (W), Mumbai in the name of Gurushantappa N Lature. 2. Flat no. 6, 2nd Floor, Kavery Apartment, Opp. IIT Gate, Adi Shankaracharya Marg, Powai, Mumbai in the name of Suchitra Shivshankar Lature. 3. Flat no. 5, 2nd Floor, Kavery Apartment, Opp. IIT Gate, Adi Shankaracharya Marg, Powai, Mumbai in the name of Shivshankar G Lature. <p>Additional Securities</p> <ol style="list-style-type: none"> 4. Bungalow "Indra Dhanu" at Signal Camp, Latur in the name of Vivek Lature. 5. N.A. Land at Latur Barshi Road, Harngul Village, Latur in the name of Vivek Lature. 6. Personal Guarantees of Directors 	Not Applicable	i) Non compliance of sanctioned terms – 2% over and above applicable rate of Interest.

ANNEXURE VIII: STATEMENT OF SHORT TERM BORROWINGS, AS RESTATED

Particulars	As at Financial year ended 31 st March				
	2013	2012	2011	2010	2009
Secured					
(a) Loans repayable on demand					
From banks	344.58	214.02	233.22	227.13	70.21
(b) Other Loans and Advances					
Other unsecured Loan	562.00	0.00	116.67	0.00	15.00
Total	906.59	214.02	349.89	227.13	85.21

Note: The above statement should be read with the Significant accounting policies and notes to accounts appearing in Annexure IV & V respectively. Unsecured loans are repayable on demand and are charged interest 12% p.a.

Name of Bank	Type of Facility	Interest Rate	Security	Repayment Schedule	Terms in case of Default/penalty
Canara Bank	Cash Credit – Sanctioned Limit ₹ 225 lacs & DPN Project Specific Limit ₹ 200 lacs	14.50% p.a. floating	<p>Primary Security: Hypothecation Charge over the company's Stock & book debts.</p> <p>Collateral Security: Equitable Mortgage Charge Over:</p> <ol style="list-style-type: none"> 1. Gala No. 41, 1st Floor, Suyog Industrial Estate premises Co-op Soc., LBS Marg, Vikhroli (W), Mumbai in the name of Gurushantappa N Lature. 2. Flat no. 6, 2nd Floor, Kavery Apartment, Opp. IIT Gate, Adi Shankaracharya Marg, Powai, Mumbai in the name of Suchitra Shivshankar Lature. 3. Flat no. 5, 2nd Floor, Kavery Apartment, Opp. IIT Gate, Adi Shankaracharya Marg, Powai, Mumbai in the name of Shivshankar G Lature. <p>Additional Securities</p> <ol style="list-style-type: none"> 4. Bungalow "Indra Dhanu" at Signal Camp, Latur in the name of Vivek Lature. 5. N.A. Land at Latur Barshi Road, Harngul Village, Latur in the name of Vivek Lature. 	Not Applicable	ii) Non compliance of sanctioned terms – 2% over and above applicable rate of Interest.

ANNEXURE IX: STATEMENT OF FIXED ASSETS, AS RESTATED

Particulars	2013	2012	2011	2010	2009
Computer					
Gross Block	5.40	2.89	1.86	-	-
Less: Accumulated Depreciation	2.55	1.47	0.69	-	-
Net Block	2.85	1.42	1.17	-	-
Furniture & Fixtures					
Gross Block	14.75	14.75	14.75	0.04	0.04
Less: Accumulated Depreciation	6.66	4.87	2.68	0.02	0.01
Net Block	8.09	9.88	12.07	0.02	0.03
Plant & Machinery					
Gross Block	1.58	1.51	1.51		
Less: Accumulated Depreciation	0.55	0.39	0.21		
Net Block	1.03	1.12	1.30	-	-
Office & Telecommunication Equipments					
Gross Block	5.14	5.14	5.04	0.01	0.01
Less: Accumulated Depreciation	1.73	1.17	0.55	0.00	0.00
Net Block	3.42	3.97	4.49	0.01	0.01
Telecom Infrastructure					
Gross Block	524.88	166.67	102.73	0.73	
Less: Accumulated Depreciation	69.66	22.72	7.32	0.05	
Net Block	455.22	143.95	95.41	0.68	-

ANNEXURE X: STATEMENT OF TRADE RECEIVABLES, AS RESTATED

Particulars	As at 31 st March				
	2013	2012	2011	2010	2009
Trade receivables outstanding for a period less than six months from the date they are due for payment					
Secured, Considered Good					
Unsecured, Considered Good	156.78	80.70	147.07	96.64	15.17
Unsecured, Considered Doubtful					
Less: provision for doubtful debts					
Total (A)	156.78	80.70	147.07	96.64	15.17
Trade receivables outstanding for a period exceeding six months from the date they are due for payment					

Particulars	As at 31 st March				
	2013	2012	2011	2010	2009
Secured, Considered Good					
Unsecured, Considered Good	11.89	24.52	9.21	0.10	-
Unsecured, Considered Doubtful					
Less: provision for doubtful debts					
Total (B)	11.89	24.52	9.21	0.10	-
Total (A+B)	168.67	105.22	156.28	96.74	15.17

Notes: i) The above statement should be read with the Significant accounting policies and notes to accounts appearing in Annexure IV & V respectively. ii) There are no outstanding debtors of the Company who are in any way related to the promoters/ directors of the Company as on March 31st, 2013.

ANNEXURE XI: STATEMENT OF LONG TERM LOANS AND ADVANCES, AS RESTATED

Particulars	As at 31 st March				
	2013	2012	2011	2010	2009
Prepaid taxes	7.65	0.00	4.68	4.49	7.06
Security Deposits – Others					
Secured, considered good					
Unsecured, considered good	292.18	56.63	32.55	27.50	12.69
Doubtful					
Less: Provision for doubtful deposits					
Security Deposits – Related Parties					
Secured, considered good					
Unsecured, considered good	475.00	277.00	22.00	22.00	22.00
Doubtful					
Less: Provision for doubtful deposits					
Total	774.83	333.63	59.23	53.99	41.75

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

ANNEXURE XII: STATEMENT OF OTHER NON CURRENT ASSETS, AS RESTATED

Particulars	As at 31 st March				
	2013	2012	2011	2010	2009
(a) Unsecured, considered good unless stated otherwise					
Deposits with original maturity more than 12 months – Lien marked against bank facility	9.69	7.63	7.63	-	-
(b) Others					
Interest accrued on Fixed deposits	1.75	1.06	0.48	-	-
Total	11.44	8.69	8.10	-	-

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

ANNEXURE XIII: STATEMENT OF OTHER CURRENT LIABILITIES, AS RESTATED

Particulars	As at 31 st March				
	2013	2012	2011	2010	2009
(i) Advance received from Clients	135.93	92.78	200.75	58.05	1.39
(ii) Statutory dues payable	114.41	55.79	39.81	54.68	8.02
(iii) Expenses payable	76.28	22.91	47.52	2.11	0.75
(iv) Short Term Advances	58.92	0.00	0.00	16.26	0.00
Total	385.53	171.48	288.08	131.09	10.17

ANNEXURE XIV: STATEMENT OF SHORT TERM PROVISIONS, AS RESTATED

Particulars	As at 31 st March				
	2013	2012	2011	2010	2009
Provision for taxation(net)	-	4.00	-	-	-
Total	-	4.00	-	-	-

ANNEXURE XV: STATEMENT OF SHORT TERM LOANS & ADVANCES, AS RESTATED

Particulars	As at 31 st March				
	2013	2012	2011	2010	2009
(a) Loans and advances to related parties					
Unsecured, considered good	2.24	160.77	421.49	255.34	66.89
(b) Loans and advances to other parties					
Unsecured, considered good	2.50	71.88	34.31	40.24	10.98
(c) Prepaid expenses – Unsecured, considered Good	358.96	26.97	137.39	188.01	-
(d) Others					
Advances to Suppliers	58.30	8.93	11.13	6.27	-
Total	422.00	268.55	604.32	489.86	77.86

ANNEXURE XVI: STATEMENT OF OTHER CURRENT ASSETS, AS RESTATED

Particulars	As at 31 st March				
	2013	2012	2011	2010	2009
Others					
(i) CENVAT credit Setoff Receivable	4.87	0.41	4.70	-	-
(ii) Retention money	-	30.63	26.87	-	-
Total	4.87	31.04	31.58	-	-

ANNEXURE XVII: STATEMENT OF REVENUE FROM OPERATIONS, AS RESTATED

Particulars	As at 31 st March				
	2013	2012	2011	2010	2009
(a) Sale of Services	875.12	895.30	550.04	481.60	181.92
(b) Sale of Trading Goods	8.82	-	-	-	-
(c) Other operating revenues					
Others	4.85	13.38	15.61	1.83	-
Total	888.79	908.68	565.64	483.42	181.92

ANNEXURE XVIII: STATEMENT OF OTHER NON-OPERATING INCOME, AS RESTATED

Particulars	As at 31 st March				
	2013	2012	2011	2010	2009
(a) Interest Income	3.11	0.72	1.22	5.63	-
(b) Other Income	0.32	0.21	-	0.28	-
Total	3.43	0.93	1.22	5.91	-

ANNEXURE XIX: STATEMENT OF COST OF MATERIALS CONSUMED, AS RESTATED

Particulars	As at 31 st March				
	2013	2012	2011	2010	2009
Opening stock	74.56	76.39	37.42	-	-
Add: Purchases	15.71	184.08	73.12	139.72	55.32
Less: Closing stock	30.25	74.56	76.39	37.42	-
Total	60.01	185.91	34.15	102.30	55.32

ANNEXURE XX: STATEMENT OF EMPLOYEE BENEFITS EXPENSE, AS RESTATED

Particulars	As at 31 st March				
	2013	2012	2011	2010	2009
(a) Salaries and incentives	42.88	27.40	25.45	14.33	9.97
(b) Staff welfare expenses	2.31	20.09	9.52	3.41	0.08
Total	45.20	47.49	34.97	17.74	10.05

ANNEXURE XXI: STATEMENT OF FINANCE COST, AS RESTATED

Particulars	As at 31 st March				
	2013	2012	2011	2010	2009
(a) Interest expense	-	-	-	-	-
Interest on Loan	134.07	37.56	24.93	8.75	4.30
(b) Other Finance Cost	5.38	1.28	8.93	4.85	-
Total	139.45	38.84	33.85	13.60	4.30

ANNEXURE XXII STATEMENT OF OTHER EXPENSES, AS RESTATED

Particulars	As at 31 st March				
	2013	2012	2011	2010	2009
(a) L.D. Charges	9.95	11.50	-	-	-
(b) Donation	1.49	10.45	8.93	0.05	0.05
(c) Site running expenses	369.37	447.03	311.06	222.80	82.93
(d) Legal and professional Fees	4.66	3.77	10.81	15.60	4.25
(e) Interest on Statutory dues	11.61	1.08	-	-	0.02
(f) Travelling & Conveyance Expenses	9.11	6.41	7.65	6.79	1.35
(g) Audit fees	1.75	1.50	1.00	1.00	0.75
(h) Electricity Expenses	3.05	2.44	1.11	1.54	1.65
(i) Miscellaneous Expenses	21.57	16.90	9.85	4.38	1.02
(k) Bad Debts	12.65	-	-	-	-
Total	445.22	501.09	350.40	252.17	92.02

ANNEXURE XXIII: STATEMENT OF ACCOUNTING RATIOS

Summary of Accounting and other Ratios					
Particulars	As at 31.03.13	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09
Face Value (₹)	10	100	100	100	100
Net Worth as per Balance Sheet (₹ in lacs)	569.00	418.89	346.61	283.06	18.32
Profit/(Loss) after Tax as per Profit and Loss Account (₹ in lacs)	100.11	72.28	63.55	70.75	13.88
Basic/Diluted Earnings Per Share (assuming 10 paid up)	2.17	1.72	1.51	17.39	4.34
Weighted Average Number of Equity Shares (Adjusted for Bonus)	46,06,438.36	42,00,000	42,00,000	4,06,794.52	3,20,000
No of Shares at the end of the Year (No.'s)	23,25,000	2,10,000	2,10,000	2,10,000	10,000
Net Asset Value Per share (₹)	24.47	199.47	165.05	134.79	1831.66
Return on Net Worth (%)	17.59%	17.26%	18.33%	24.99%	75.79%
Net Tangible Asset (₹ in lacs)	567.69	463.10	347.09	283.06	33.32

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

C. Formulas used for calculating above ratios are as under:

- Basic EPS is being calculated by using the formula: Net Profit after excluding Extra-ordinary items/ Weighted Average No. of outstanding shares.

- ii. Net Asset Value is being calculated by using the formula: (Equity Share Capital + Reserves and Surplus)/Number of Equity Shares at year end.
- iii. Return on Net worth is being calculated by using the formula: Profit After Tax/(Equity Share Capital + Reserves and Surplus).
- iv. Net Tangible Assets comprises Non Current Assets and Net Working Capital.
- v. There is no revaluation reserve in last five years of the Company.

ANNEXURE XXIV: STATEMENT OF CAPITALIZATION

Particulars	Pre Issue as on 31-03-2013	Post Issue
Debt		
Long Term Debt	0.00	[•]
Short Term Debt	906.59	[•]
Total Debts (A)	906.59	[•]
Equity (shareholders' funds)		[•]
Equity share capital	232.50	[•]
Share Premium	27.50	[•]
Reserves & surplus	309.00	[•]
Total Equity (B)	569.00	[•]
Long Term Debt / Equity Shareholders' funds	0.00	[•]
Total Debt / Equity Shareholders' funds	1.59	[•]

Note: Loans are classified as "Long Term Debt" and any principal amount of outstanding debt payable within one year or repayable on demand has been classified short term debt and remaining have been classified as long term debt.

ANNEXURE XXV: STATEMENT OF CONTINGENT LIABILITIES

Particulars	As at 31 st March				
	2013	2012	2011	2010	2009
The outstanding contingent liabilities	0	0	0	0	0

ANNEXURE XXVI: STATEMENT OF RELATED PARTIES AND TRANSACTIONS

Names of related parties:

- i. **Enterprises having significant influence**
Nil
- ii. **Individuals (directly/indirectly) having control over the reporting enterprise / Key Managerial Persons**
 - a. Mr. Shivshankar Lature, Director
 - b. Mr. Vivek Lature, Director
 - c. Somnath Lature, Director
 - d. Arvind Lature, Director
 - e. Gurushantappa Lature, Director
- iii. **Relatives of the Directors**
Suchitra Shivshankar Lature, Wife of Shivshankar Lature
- iv. **Subsidiary Companies/Joint Venture Companies**
Nil
- v. **Enterprises over which persons mentioned at (ii) have significant influence and with whom transactions have taken place during the period/ year:**
 - a. Savyasachi Consultancy (Prop. Shivshankar Lature)
 - b. Suyog Telematics (Prop. Shivshankar Lature)
 - c. Lature Brothers & Co.
- vi. **Enterprises in which persons mentioned at (ii) have common directorship and with whom transactions have taken place during the period/ year:**
 - a. Suyog Urja Pvt. Limited
 - b. Supreme Suyog Funicular Ropeways Pvt. Ltd.
 - c. Suyog Gurubaxni Funicular Ropeways Pvt. Ltd

Details of Related Party Transactions:

(₹ in lacs)

Nature of Transaction / Name of Related Party	For the Financial Year ended as at 31st March				
	2013	2012	2011	2010	2009
Remuneration Paid:					
- Gurushantappa Lature	-	-	-	1.25	0.60
- Somnath Lature	-	-	-	-	0.90
- Vivek Lature	6.00	-	-	-	-
Rent Paid					
- Gurushantappa Lature	2.40	-	-	-	-
Sales					
- Supreme Suyog Funicular Ropeways Pvt. Ltd.	35.95	106.39			
Deposit Given To					
Shivshankar Lature	475.00	277.00	22.00	22.00	22.00

Nature of Transaction / Name of Related Party	For the Financial Year ended as at 31st March				
	2013	2012	2011	2010	2009
Amount receivable (Payable) as at year end:					
- Gurushantappa Lature	(0.36)	-	0.70	0.70	-
- Vivek Lature	-	-	2.60	2.35	(0.15)
- Shivsankar Lature	-	-	-	-	-
- Suchitra Lature	-	-	1.97	6.97	1.97
- Suyog Urja Pvt Ltd.	1.16	-	-	-	-
- Suyog Telematics	1.08	122.50	368.61	206.01	45.85
- Savyasachi Consultancy	-	-	(3.20)	(3.81)	1.56
- Lature Brothers & Co.	-	-	(1.26)	(1.26)	-
- Supreme Suyog Funicular Ropeways Pvt. Ltd.	-	21.39	131.53	119.20	88.85
- Supreme Gurbaxni Funicular Ropeways Pvt Ltd	-	16.89	20.57	25.57	20.50
Loan Granted/repaid by us					
- Gurushantappa Lature	-	2.00	-	0.70	0.86
- Vivek Lature	-	4.50	24.97	2.50	0.14
- Shivsankar Lature	-	2.80	-	-	0.09
- Suchitra Lature	-	1.21	30.00	0.50	-
- Suyog Urja Pvt Ltd.	1.16	0.50	-	-	-
- Suyog Telematics	98.34	138.68	273.31	245.26	82.32
- Savyasachi Consultancy	-	3.20	0.79	2.14	3.56
- Lature Brothers & Co.	-	1.46	-	-	-
- Supreme Suyog Funicular Ropeways Pvt. Ltd.	-	21.56	12.33	30.36	62.90
- Supreme Gurbaxni Funicular Ropeways Pvt Ltd	33.06	0.55	2.00	5.07	20.50
Loan taken/received back to us					
- Gurushantappa Lature	-	-	-	-	-
- Vivek Lature	-	7.10	24.72	-	-
- Shivsankar Lature	-	2.80	-	-	-
- Suchitra Lature	-	-	35.00	-	-
- Suyog Urja Pvt Ltd.	-	-	-	-	-
- Suyog Telematics	84.00	192.20	110.71	85.10	41.08
- Savyasachi Consultancy	-	-	0.18	7.50	2.01
- Lature Brothers & Co.	-	-	-	1.26	-
- Supreme Suyog Funicular Ropeways Pvt. Ltd.	57.34	46.70	-	-	-
- Supreme Gurbaxni Funicular Ropeways Pvt Ltd	43.13	4.23	7.00	-	-

ANNEXURE XXVII: STATEMENT OF TAX SHELTER

Particulars	As at 31st March				
	2013	2012	2011	2010	2009
Profit before tax	146.78	117.11	102.11	103.47	20.22
Normal tax rates	32.45%	33.22%	33.99%	33.99%	30.90%
Minimum alternative tax rates	20.008%	19.467%	19.467%	16.995%	11.33%
Tax at normal rates (A)	47.62	38.90	34.71	35.17	6.25
Permanent differences					
Other adjustments – disallowances	(13.11)	0.00	0.00	0.00	0.00
Total (B)	(13.11)	0.00	0.00	0.00	0.00
Timing differences					
Difference between tax depreciation and book depreciation	14.41	8.91	2.92	1.92	0.00
Capital gains(loss) on sale of assets	0.00	0.00	0.00	0.00	0.00
Provision for Debtors Written Back	0.00	0.00	0.00	0.00	0.00
Provision for gratuity & Leave	0.00	0.00	0.00	0.00	0.00
Encashment	0.00	0.00	0.00	0.00	0.00
Difference due to section 43B	(15.41)	(10.45)	(17.94)	0.00	0.00
Other adjustments	0.00	0.00	2.50	0.00	0.00
Total (C)	(0.99)	(1.54)	(15.03)	1.92	0.00
Net adjustments (B+C)	(14.10)	(1.54)	(15.03)	1.92	0.00
Tax savings thereon (D)	(4.57)	(0.51)	(5.11)	0.65	0.00
Total taxation (E = A+D)	52.20	39.41	39.82	34.55	6.25
Add: Interest under IT Act	0.00	0.00	0.00	0.00	0.00
Brought forward losses set off (Dptn)	0.00	0.00	0.00	0.00	0.00
Tax effect on the above (F)	0.00	0.00	0.00	0.00	0.00
Tax Payable as per MAT	29.37	22.80	19.88	17.58	2.29
Tax expense recognized	52.20	38.51	38.09	32.72	6.34
Tax as per return of income	N.A.	38.19	37.75	33.20	5.57

ANNEXURE XXVIII: STATEMENT OF DIVIDENDS

(₹ in lacs)

Particulars	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Interim Dividend on Equity Shares	-	-	-	-	-
Final Dividend on Equity Shares	-	-	-	-	-
Total Dividend on Equity Shares	-	-	-	-	-
Dividend Rate (%)	-	-	-	-	-
Dividend Tax	-	-	-	-	-

Note: No dividend is paid by the Company during the above mentioned Years/Period.

ANNEXURE XXIX: STATEMENT OF SEGMENT REPORTING

The Company is mainly engaged in single segment business of Telecommunication Products and Services, which is managed as one entity and governed by a similar set of risk and returns. Further, operations of the Company is confined to the single geographic segment i.e. India and does not qualify for reporting as geographic segment. Further, in view of the Accounting Standard Interpretation (ASI) 20, issued by the Institute of Chartered Accountants of India for companies operating in single segment, the disclosure requirements as per Accounting Standard 17 "Segment Reporting" are not applicable to the Company.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Draft Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards referred to in section 211(3C) of the Companies Act and other applicable provisions of the Companies Act.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

Business Overview

We are a growing passive telecommunication infrastructure provider in India, engaged primarily in the business of installing and commissioning of Poles, Towers and Optical Fibre Cable ("OFC") Systems in India. We are registered as Infrastructure Provider Category-I (IP-I) with DoT (Department of Telecommunications). "Passive infrastructure" refers to the telecommunication towers for wireless telecommunication services and "OFC" is used for the purpose of hosting and assisting in the operation of the active infrastructure used for transmitting telecommunications signals or transporting voice and data traffic.

Our business is to build, own and operate telecommunication Poles, Towers (particularly Roof-top towers), OFC systems and related assets and to provide these passive infrastructure assets on a shared basis to wireless and other communications service providers. These customers use the space on our telecommunication towers to install active communication-related equipment to operate their wireless communications networks. We also offer services to Telecom Operators in installing Telecom Infrastructure on job work basis.

We have completed installation of more than 200 Poles for various TSPs and about 10,000 Roof-Top Towers for BSNL on job work basis. As on June 30, 2013, our fully completed owned portfolio of passive infrastructure consists of 301 Poles in and around Mumbai and 81 towers in and around Maharashtra and Uttarakhand. In addition, we have our own optical fiber cable network of about 150 km in and around Mumbai.

Products / Services offered by us

Our company specializes in innovative solutions which are different from the existing tower sharing concept. We play host to telecom service providers by acquiring and deploying greener pole sites or the traditional RTT sites. Thus our company provides services in terms of infrastructure provisioning for Poles, Towers and Optical Fibre to Telecom Operators in niche areas.

e) Tower Business

We are in the business of installing Roof Top Towers and providing the same to telecom service providers on a sharing basis. We have a tenancy of one per tower. These telecommunication towers have been used for both CDMA and GSM needs. Our Roof Top Towers are normally 15 meters in height and are considered structurally stable assuming a wind speed of 180 km per hour.

As of June 30, 2013, we had a portfolio of 81 owned telecommunication towers in Maharashtra and Uttarakhand. These Sites have been provided to our diverse client base including Tata Teleservices, Airtel, Vodafone, and BSNL.

f) Poles Business

Since it is not possible to erect regular network towers etc atop flyovers/bridges we have spearheaded the concept of Poles for telecom infrastructure.

We have provided a number of Poles and Infrastructure on lease over several MSRDC Flyovers, Bandra-Worli Sea Link Project, MMRDA Flyovers as well as Skywalks in and around Mumbai and have also installed BTS equipments on poles for the telecom service providers.

Further, we have also started working on the concept of installing BTS on Poles in local areas where there is severe traffic and congestion in collaboration with the local Police Authorities, whereby we shall install poles in places such as Check Naka's, Cinema Halls and shall also install CCTV Cameras for the Police Department in such Poles in order to help them with their surveillance mechanisms.

As on June 30, 2013, we had a portfolio of 301 Owned Poles in and around Mumbai. Clients using our poles infrastructure include Airtel, Idea Cellular, Vodafone, Tata Teleservices, Aircel and Loop Mobile.

Additionally, we have also installed a total of 229 Poles on job work basis for Reliance Infocomm Engg. Pvt. Ltd. (100), Vodafone Essar Ltd. (54) and Bharti Airtel Ltd. (75).

g) Optical Fibre Network Business

We have set up our own optical fiber cable network of about 150 km from Thane Ghodbunder Road to Kalamboli. In addition, our OFC network fibre has been laid in ducts intended to provide added protection and to allow us to lay more fibre as demand increases. We have provisioned extra ducts throughout our OFC network, with the majority of our OFC network having been laid with eight ducts. The average age of our ducts is thirty years, and the expected life span of such ducts is approximately ten years. Our OFC network is laid about one meter below the ground for protection against natural elements and human intervention.

h) Trading Business

In addition to our Core Telecom Infrastructure businesses, we have also begun on a test basis to undertake supply contracts to supply other telecom products such as Rectifier Module and propose to also include other products like Telecommunication Cables, Telecommunication Panels, Diesel Generators, Earth Strips, Batteries, Electric Power Cable, Fibre Cable and Galvanized Poles etc by procuring the same in the Domestic Market and exporting to overseas buyers. The trading sales of our company for the FY 2013 were ₹ 8.82 lacs.

For further details regarding our business operations, please refer to the chapter titled "*Our Business*" beginning on page 97 of this Draft Prospectus.

Significant Developments after March 31, 2013 that may affect our Future Results of Operations

There have been no events or circumstances since the date of the last financial statements as disclosed in the Draft Prospectus which materially or adversely affect or is likely to affect the profitability of our Company, or the value of our assets, or our ability to pay liabilities within next twelve months.

Factors affecting our Result of Operation

Except as otherwise stated in this Draft Prospectus and the Risk Factors given in the Draft Prospectus, the following important factors could cause actual results to differ materially from the expectations include, among others:

✓ ***Our ability to successfully implement its strategy and its growth and expansion plans***

Our growth plans are considerable and would put significant demands on our management team and other resources. Any delay in implementation of our strategy and growth and expansion plans could impact our Company's roll out schedules and cause cost and time over runs.

✓ ***Increasing competition in the industry***

The tower infrastructure sharing business in India is highly competitive in nature. Most of the large players operating in this industry have distinctive advantage in terms of location, specific availability of resources and past experience in project execution. However, our position in the market is unique as we are pioneers in the segment of pole solution, which forms a larger part of our business.

✓ ***General economic and business conditions***

As a Company with its complete operations in India, we are affected by general economic conditions in the country and in particular economic factors that affect financial market in India. India's gross domestic product, or GDP, has been and will continue to be of importance in determining our operating results and future growth.

Significant Accounting Policies

a. Basis of preparation of financial statements:

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

b. Use of Estimates:

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

c. Cash Flow:

Cash flow statement has been prepared in accordance with the “indirect method” as explained in the Accounting Standard 3 issued by the Institute of Chartered Accountants of India.

d. Fixed Assets:

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

e. Depreciation:

Depreciation is provided for in the books on written down value method as per the rates prescribed under Schedule XIV of the Companies Act 1956 except on pole. Depreciation provided on pole is on straight line method considering the estimated useful life of 7 years & Depreciation Provided on Duct & Tower is on Straight Line Method considering the estimated useful life of 10 years. A Depreciation has been charged from the month of the date of purchases/commissioning of the assets acquired/installed during the period.

f. Income Recognition:

Revenue from the installation services is recognized on transfer of the title as per the Contact Terms with the Customer. Revenue from fixed-price, fixed-time frame contracts, where there is no uncertainty as to the measurement or collectability of consideration that will be derived on completion of the contract, is recognized as per the percentage of completion method. Interest on deposits, Rent and Maintenance is accounted for on the time proportion basis.

g. Foreign Currency Translation:

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

Foreign currency assets and liabilities are translated at the period end rates and the resultant exchange differences, are recognized in the profit and loss account.

h. Borrowing Cost:

Borrowing Costs that are directly attributable to the acquisition or production of qualifying assets are capitalized as the cost of the respective assets. Other Borrowing Costs are charged to the Profit and Loss Account in the period in which they are incurred.

i. Employees benefits:

All employee benefit obligations payable wholly within twelve months of the rendering the services are classified as Short Term Employee Benefits. Such Benefits are estimated and provided for in the period in which the employee renders the related service.

j. Inventories:

Inventories are measured at lower of the cost and net realizable value. Cost of inventories comprises all costs of purchase (net of input credit) and other costs incurred in bringing the inventories to their present location and condition. Costs of consumable and materials are determined by using the First-In First-Out Method (FIFO).

k. Investments:

Investments are carried at cost. Decline in the value of long term investments is recognised only if considered other than temporary. Current investments are carried at the lower of cost and quoted/fair value.

l. Accounting for taxes on Income:

- i) Income tax comprises the current tax and net change in deferred tax assets, which are made in accordance with the provisions as per the Income Tax Act, 1961.
- ii) Deferred Tax resulting from timing differences between accounting income and taxable income for the period is accounted for using the tax rates and laws that have been enacted or substantially enacted as at the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

m. Leased Assets:

Assets acquired on leases where a significant portion of the risks and rewards of the ownership are retained by the lessor, are classified as Operating Leases. The rental and all other expenses of leased assets are treated as revenue expenditure.

n. Provisions and Contingent Liabilities:

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

o. Impairment of Assets:

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

p. Cash and cash equivalents:

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

Results of our Operations

The following table sets forth select financial data from the profit and loss account of our financial statements, for the fiscals 2013, 2012, 2011 and 2010, the components of which are also expressed as percentages of the total income for such periods –

Particulars	As at 31st March							
	2013	% of Total Income	2012	% of Total Income	2011	% of Total Income	2010	% of Total Income
Income								
Revenue from Operations	888.79	99.61	908.68	99.90	565.64	99.78	483.43	98.79
Other Income	3.44	0.39	0.93	0.10	1.22	0.22	5.91	1.21
<i>Total Income</i>	<i>892.23</i>		<i>909.61</i>		<i>566.87</i>		<i>489.34</i>	
Expenditure								
Cost of materials consumed	60.01	6.73	185.91	20.44	34.15	6.02	102.30	20.91
Purchase of Stock in Trade	5.05	0.57	0.00	0.00	0.00	0.00	0.00	0.00
Employee Benefit Expenses	45.20	5.07	47.49	5.22	34.97	6.17	17.74	3.63
Financial Cost	139.45	15.63	38.84	4.27	33.85	5.97	13.60	2.78
Other expenses	445.22	49.90	501.09	55.09	350.40	61.81	252.17	51.53
Depreciation & Amortization	50.51	5.66	19.17	2.11	11.38	2.01	0.06	0.01
<i>Total Expenditure</i>	<i>745.45</i>	<i>83.55</i>	<i>792.50</i>	<i>87.13</i>	<i>464.75</i>	<i>81.99</i>	<i>385.87</i>	<i>78.86</i>
Net Profit/(Loss) Before Tax	146.78	16.45	117.11	12.87	102.11	18.01	103.47	21.14
Less Taxation:								
Current Tax	52.20	5.85	41.09	4.52	38.09	6.72	32.72	6.69
Deferred Tax	(5.53)	(0.62)	3.74	0.41	0.47	0.08	0.00	0.00
<i>Total tax</i>	<i>46.67</i>	<i>5.23</i>	<i>44.83</i>	<i>4.93</i>	<i>38.56</i>	<i>6.80</i>	<i>32.72</i>	<i>6.69</i>
Net Profit/(Loss) After Tax	100.11	11.22	72.28	7.95	63.55	11.21	70.75	14.46

Main Components of our Profit and Loss Account

Income

Our total income comprises of revenue from operations and other income.

Revenue from Operations

Our revenue from operations (i.e. revenue earned from sale of services and sale of trading goods) as a percentage of total income was 99.61%, 99.90%, 99.78% and 98.79% in fiscals 2013, 2012, 2011 and 2010 respectively.

Other Income

Our other income primarily includes Interest Income and Other income. Other income, as a percentage of total income was 0.39%, 0.10%, 0.22% and 1.21% in fiscals 2013, 2012, 2011 and 2012 respectively.

Expenditure

Our total expenditure primarily consists of Cost of materials consumed, Purchase of Stock in Trade, Employee Benefit Expenses, Financial Cost, Depreciation Expenses and Other expenses.

Employee Benefit Expenses

Expenses in relation to employees' remuneration and benefits include salary, incentives and other staff welfare expenses.

Financial Cost

Financial Cost primarily consists of interest expenses, bank charges and other finance cost.

Other Expenses

Other expenses primarily consist of Site running expenses, Interest on Statutory dues, Travelling & Conveyance Expenses, Legal and professional Fees and other miscellaneous expenses. Other expenses represent a significant portion of the total expenditure.

Depreciation and Amortization Expenses

Depreciation and Amortization Expenses primarily consist of depreciation/amortization on the fixed assets of our Company which primarily includes Furniture and fixtures, Computers, Plant & Machinery, Telecom Infrastructure and Office & Telecommunication Equipments.

Provision for Tax

Income taxes are accounted for in accordance with Accounting Standard – 22 on "Accounting for Taxes on Income" ("AS-22"), prescribed under the Companies (Accounting Standards) Rules, 2006. Our Company provides for current tax as well as deferred tax, as applicable.

Provision for current taxes is made at the current tax rates after taking into consideration the benefits available to our Company under the provisions of the I. T. Act.

Deferred tax arises from the timing differences between book profits and taxable profits that originate in one period and are capable of reversal in one or more subsequent periods and is measured using the tax rates and laws applicable as of the date of the financial statements. Our Company provides for deferred tax asset / liability on such timing differences subject to prudent considerations in respect of deferred tax assets.

Fiscal 2013 compared with fiscal 2012

Income

In fiscal 2013, we recorded a total income of ₹ 892.23 lacs, which was 1.91% lower than income of ₹ 909.61 lacs in fiscal 2012. Revenue earned from operations decreased by 2.19% from ₹ 908.68 lacs in fiscal 2012 to ₹ 888.79 lacs in fiscal 2013. Other income increased by 2.51 lacs on account of significant increase in Interest income.

Employee Benefit Expenses

Our staff costs decreased by ₹ 2.29 lacs or 4.82%, from ₹ 47.49 lacs in fiscal 2012 to ₹ 45.20 lacs in fiscal 2013. This decrease in our staff costs was due to a significant decrease in the expenses incurred for staff welfare.

Other Expenses

Other Expenses decreased to ₹ 445.22 lacs in fiscal 2013 from ₹ 501.09 lacs in fiscal 2012, showing a decrease of ₹ 55.87 lacs or 11.15%. During 2013, the other expenses were 49.90% of total income in fiscal 2013 as against 55.09% during fiscal 2012. The cause of decrease in these expenses was majorly due to a fall in site running expenses in the year 2013.

Financial Cost

Financial expenses increased from ₹ 38.84 lacs in fiscal 2012 to ₹ 139.45 lacs in fiscal 2013, showing an increase of ₹ 100.61 lacs. During 2013, our Company recorded financial charges of 15.63% of the total income as against 4.27% during 2012. The increase in absolute amount of Financial Cost was due to increase in interest paid on loans and subsequent increase in financial costs.

Depreciation and Amortization Expenses

Depreciation expenses increased by ₹ 31.34 lacs, from ₹ 19.17 lacs in fiscal 2012 to ₹ 50.51 lacs in fiscal 2013. This increase was due to purchase of Assets during the fiscal 2013.

Profit before Tax

Due to the reasons stated above, our PBT increased by ₹ 29.67 lacs from ₹ 117.11 lacs in fiscal 2012 to ₹ 146.78 lacs in fiscal 2013.

Profit after Tax

Our profit after tax increased by ₹ 27.83 lacs from ₹ 72.28 lacs in fiscal 2012 to ₹ 100.11 lacs in fiscal 2013.

Trade Receivables

Our Trade Receivables were ₹ 168.67 lacs for the fiscal 2013. However, only ₹ 11.89 lacs is outstanding for more than six months out of the total of ₹ 168.67 lacs in fiscal 2013 shown in debtors.

Borrowings

Our total Borrowings amounted to ₹ 906.59 lacs, all of short-term in nature for fiscal 2013 as compared to total Borrowings of ₹ 214.02 lacs, all of short-term in nature for fiscal 2012. The reason of increase in borrowed funds was to increase capital base to disburse the same in our business operations.

Fiscal 2012 compared with fiscal 2011

Income

In fiscal 2012, we recorded a total income of ₹ 909.61 lacs, which was 60.46% higher than income of ₹ 566.87 lacs in fiscal 2011. The major factor for this increase was increase in our operations and higher operational efficiency. Other income decreased by ₹ 0.29 lacs for the same period.

Employee Benefit Expenses

Our staff costs increased by ₹ 12.52 lacs, or 35.80%, from ₹ 34.97 lacs in fiscal 2011 to ₹ 47.49 lacs in fiscal 2012. This increase was driven by a general increase in the salaries and allowances paid to our employees and a significant increase in our costs incurred for staff welfare.

Other Expenses

Other Expenses increased to ₹ 501.09 lacs in fiscal 2012 from ₹ 350.40 lacs in fiscal 2011, showing an increase of 43.01% or ₹ 150.69 lacs. During 2012, the other expenses were 55.09% of total income in fiscal 2012 as against 61.81% during fiscal 2011. The primary cause of increase in these expenses was due to increased scale of operations.

Financial Cost

Financial expenses increased from ₹ 33.85 lacs in fiscal 2011 to ₹ 38.84 lacs in fiscal 2012, showing an increase of 14.74%. During 2012, our Company recorded financial charges of 4.27% of the total income as against 5.97% during 2011. The increase in absolute amount of Financial Cost was due to higher interest expenses.

Depreciation Expenses

Depreciation expenses increased by ₹ 7.79 lacs, from ₹ 11.38 lacs in fiscal 2011 to ₹ 19.17 lacs in fiscal 2012. This increase was due to increase in gross Fixed Assets.

Profit before Tax

Due to a better profit margin and operational efficiency, our PBT increased by ₹ 15.00 lacs from ₹ 102.11 lacs in fiscal 2011 to ₹ 117.11 lacs in fiscal 2012.

Profit after Tax

Our profit after tax increased by ₹ 8.73 lacs from ₹ 63.55 lacs in fiscal 2011 to ₹ 72.28 lacs in fiscal 2012.

Trade Receivables

Our Trade Receivables were ₹ 105.22 lacs for the fiscal 2012. However, only ₹ 24.52 lacs is outstanding for more than six months out of the total of ₹ 105.22 lacs in fiscal 2012 shown in debtors.

Borrowings

Our total Borrowings amounted to ₹ 214.02 lacs, all of short-term in nature for fiscal 2012 as compared to total Borrowings of ₹ 349.89 lacs, all of short-term in nature for fiscal 2011. The decrease in borrowed funds is since we repaid the unsecured loans taken from parties.

Fiscal 2011 compared with fiscal 2010

Income

In fiscal 2011, we recorded a total income of ₹ 566.87 lacs, which was 15.84%, higher than income of ₹ 489.34 lacs in fiscal 2010. The major factor for this increase was increase in our operations and higher operational efficiency. Other income decreased by ₹ 4.69 lacs on account of relatively lower interest income in fiscal 2011.

Employee Benefit Expenses

Our staff costs increased by ₹ 17.23 lacs, from ₹ 17.74 lacs in fiscal 2010 to ₹ 34.97 lacs in fiscal 2011. This increase in our staff costs were driven by annual increments to our staff, increase in other incentives and other costs incurred for staff welfare.

Other Expenses

Other Expenses increased from ₹ 252.17 lacs in fiscal 2010 to ₹ 350.40 lacs in fiscal 2011, showing an increase of ₹ 98.23 lacs i.e. 38.95%. During 2011, the other expenses were 61.81% of total income in fiscal 2011 as against 51.53% during fiscal 2010. The cause of increase in these expenses was due to increased scale of operations.

Financial Cost

Financial expenses increased from ₹ 13.60 lacs in fiscal 2010 to ₹ 33.85 lacs in fiscal 2011, showing an increase of ₹ 20.25 lacs. During 2011, our Company recorded financial charges of 5.97% of the total income as against 2.78% during fiscal 2010. The increase in absolute amount of Financial Cost was due to increased short – term borrowing.

Depreciation Expenses

Depreciation expenses increased by ₹ 11.32 lacs, from ₹ 0.06 lacs in fiscal 2010 to ₹ 11.38 lacs in fiscal 2011. This increase was due to increase in gross fixed assets of our company during the year.

Profit before Tax

Due to the reasons stated above, our PBT decreased by ₹ 1.36 lacs from ₹ 103.47 lacs in fiscal 2010 to ₹ 102.11 lacs in fiscal 2011.

Profit after Tax

Our profit after tax decreased by ₹ 7.20 lacs from ₹ 70.75 lacs in fiscal 2010 to ₹ 63.55 lacs in fiscal 2011.

Trade Receivables

Our Trade Receivables were ₹ 156.28 lacs for the fiscal 2011. However, only ₹ 9.21 lacs is outstanding for more than six months out of the total of ₹ 156.28 lacs in fiscal 2011 shown in debtors.

Borrowings

Our total Borrowings amounted to ₹ 349.89 lacs, all of short-term in nature for fiscal 2011 as compared to total Borrowings of ₹ 227.13 lacs, all of short-term in nature for fiscal 2010. The reason of increase in borrowed funds was to increase capital base to disburse the same in our business operations.

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except as described in this Draft Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

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

Other than as described in the chapters titled "*Risk Factors*", "*Financial Information*" and "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*", beginning on pages 11, 142 and 169 respectively of this Draft Prospectus respectively, to our knowledge there are no Significant economic changes that materially affected or are likely to affect income from continuing Operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations

Other than as described in the chapters titled "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Conditions and Result of Operations*", beginning on pages 11 and 169 respectively of this Draft Prospectus respectively to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

4. Future relationship between Costs and Income

Other than as described in the chapter titled "*Risk Factors*" beginning on page 11 of this Draft Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

5. The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices

Increases in revenues are by and large linked to increases in volume of business activity carried out by the Company.

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

We are a Category 1 Infrastructure Provider in the Telecommunication Products and Services Industry. Relevant industry data, as available, has been included in the chapter titled "*Industry Overview*" beginning on page 82 of this Draft Prospectus.

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

Please see the chapter titled "*Our Business*" beginning on page 97 of this Draft Prospectus.

8. The extent to which the business is seasonal.

Our business is not seasonal in nature.

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

There are very few telecom operators in the current market. Thus our clients are restricted to those few players in the prevailing market. However, we have the distinction of having worked with almost all the leading telecom operators.

10. Competitive Conditions

Despite the fact that we are not affected by competition in the short-term, our industry is highly competitive in nature. We expect competition to intensify due to possible changes in government policy, existing competitors further expanding their operations. This we believe may impact our financial condition and operations.

FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of our Company's currently available banking debt facilities.

Details of Fund based and Non Fund Based Facilities

Name of Lender (Type of Facility)	Amount Sanctioned (₹ in lacs)	Amount Drawdown as on 31 st March 2013	Interest (in % p.a.)**	Tenure
State Bank of India (Working Capital)	325.00	NIL	BR (presently is 9.70% p.a) + 3% margin payable monthly*	Repayable on demand
State Bank of India (Term Loan)	500.00	NIL	BR (presently is 9.70% p.a) + 3.15% margin payable monthly*	Repayable in 60 monthly instalments. Repayment commenced from July 2013.
State Bank of India (Bank Guarantee)	100.00	NIL		
TOTAL	925.00			

* Upto March 31, 2013, we availed facilities from Canara Bank, however, we have substituted banking facilities of Canara Bank with the facilities mentioned above from State Bank of India vide sanction letter dated March 26, 2013

**However the bank shall have a right to reset the interest rate after 2 years and every 2 years thereafter.

Security:

For Working Capital & Bank Guarantee

Primary:

- Hypothecation of current assets of company, present and future value.

Collateral:

Equated Mortgage of

- Gala 41, Suyog Industrial Estate, 1st Floor, LBS Marg, Vikhroli West, Mumbai – 400083 admeasuring 1084 sq ft
- Flat No. 6, situated at 2nd Floor, Kavary Apartments, IIT Market Gate, Powai, Andheri (E), Mumbai – 400076 admeasuring 810sq ft.
- Flat No. 5, situated at 2nd Floor, Kavary Apartments, IIT Market Gate, Powai, Andheri (E), Mumbai – 400076 admeasuring 810sq ft.
- Flat No. 801/ A, Manas Residency, Opp. Teen Petrol Pump, Panchpakhadi, Thane (W) – 400604 admeasuring 864 sq ft.
- Unit no G-18, situated at 1st Floor, Suyog Industrial Estate Premises Co-operative Society Ltd. LBS Marg, Vikhroli (W), Mumbai – 400083

For Term Loan

Primary:

- Hypothecation of assets to be created out of Term Loan

Collateral:

Hypothecation of extension of charge on current assets and all the collateral taken for Working Capital & Bank Guarantee

Corporate Actions

During the currency of the Bank's credit facilities, the Unit / Guarantors will not, without the Bank's prior permission in writing:

- Effect any change in the capital structure
- Implement any scheme of expansion / modernization / diversification / renovation or acquire any fixed asset during any accounting year, except such schemes which have already been approved by the bank
- Formulate any scheme of Amalgamation or reconstruction
- Invest by way of share capital or lend or advance funds to or place deposits with any other concern, including sister / associate / family / subsidiary / group concerns. However, normal trade credit or security deposits in normal course of business or advances to employees can be executed.
- Enter into borrowing arrangements either secured or unsecured with any other bank, Financial Institution, company or person.
- Undertake guarantee obligations on behalf of any other company, firm or person.
- Declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided further that no default had occurred in any repayment obligations.
- Effect any drastic change in their management set-up.
- Effect any change in the remuneration payable to the Directors / Partners etc. either in the form of sitting fees or otherwise.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions, proceedings before any judicial, quasi-judicial, arbitral or administrative tribunals, including pending proceedings for violation of statutory regulations or, alleging criminal or economic offences or tax liabilities or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act) against our Company, our Directors, our Promoter and our Group Companies that would have a material adverse effect on our business. Except as set out below, there are no defaults, non-payments or overdue of statutory dues, institutional/bank dues and dues payable to holders of debentures or fixed deposits and arrears of cumulative preference shares that would have a material adverse effect on our business.

PART 1: CONTINGENT LIABILITIES OF OUR COMPANY

NIL

PART 2: LITIGATION RELATING TO OUR COMPANY

A. FILED AGAINST OUR COMPANY

1. Litigation involving Civil Laws

NIL

2. Litigation Involving Criminal Laws

OMA No. 524 of 2011 filed by Kore Digital Private Limited against the Company

Kore Digital Private Limited ("**Complainant**"), through its Director, Mr. Ravindra Kumar Doshi has filed OMA No. 524 of 2011 dated 16th August, 2011 ("**the Complaint**") before the Judicial Magistrate of First Class at C.B.D. Belapur, Navi Mumbai ("**JMFC**") against:

- (i) The Company;
- (ii) Mr. Shivshankar Lature; and
- (iii) Mr. Nandan Basu (hereinafter collectively referred to as "**the Respondents**")

As per the Complainant, the Company and the Complainant had entered into an agreement for development and marketing of an Optical Fiber Cable Duct ("**OFC Duct**"). The Complainant has alleged that no permission was granted by "**MSRDC**" or the police to the Respondents for the development of ducts and that the Respondents have wrongfully induced the Complainant to invest in such development and marketing of the OFC Duct and has caused wrongful loss to the Complainant to the extent of ₹ 45,50,000/-. The Complainant has accused the Respondents of cheating and has filed the Complaint praying for directions to the police to register a First Information Report and investigation of the alleged offence. The Police have conducted their investigation in the matter and have inter alia concluded that no action is maintainable against the Respondents under Sections 465, 467, 468 and 471 of the Indian Penal Code, 1908. However, the JMFC is yet to pass a final order in the matter.

3. Litigation involving Securities and Economic Laws

NIL

4. Litigation involving Statutory Laws

Petition filed under Sections 433, 434 and 439 of the Companies Act, 1956 by Kore Digital Private Limited against the Company.

On the basis of the information available in the records of the Hon'ble Bombay High Court, it appears that proceedings are instituted against the Company under Sections 433, 434 and 439 of the Companies Act, 1956 by Kore Digital Private Limited. While the matter appears to have been filed on April 17, 2012, till date, the Company has not been served in the matter. Hence, the Company is not aware of the cause of action in the matter. The case status of the above matter on the website of the Hon'ble Bombay High Court reflects that the matter is at the preadmission stage.

5. Litigation involving Labour Laws

NIL

6. Litigation involving Taxation

NIL

B. CASES FILED BY OUR COMPANY

1. Litigation involving Civil Laws:

NIL

2. Litigation involving Criminal Laws:

NIL

3. Litigation involving Securities and Economic Laws:

NIL

4. Litigation involving Statutory Laws:

NIL

5. Litigation involving Labour Laws:

NIL

C. PAST PENALTIES

NIL

PART 3: LITIGATION RELATING TO OUR DIRECTORS**A. LITIGATION AGAINST OUR DIRECTORS****1. Litigation involving Civil/Statutory Laws**

NIL

2. Litigation involving Criminal Laws

For details, please see Part A of the chapter titled "*Outstanding Litigations and Material Developments*" of this Draft Prospectus.

3. Litigation involving Economic Offenses

NIL

4. Litigation involving Tax Liabilities

NIL

B. LITIGATIONS FILED BY OUR DIRECTORS

NIL

C. PAST PENALTIES

NIL

PART 5: LITIGATION RELATING TO OUR PROMOTER**A. LITIGATION AGAINST OUR PROMOTER****1. Litigation involving Civil/Statutory Laws**

NIL

2. Litigation involving Criminal Laws

For details, please see Part A of the chapter titled "*Outstanding Litigations and Material Developments*" of this Draft Prospectus.

3. Litigation involving Securities and Economic Laws

NIL

B. LITIGATION FILED BY OUR PROMOTER**1. Litigation involving Civil/Statutory Laws**

NIL

2. Litigation involving Criminal Laws

NIL

3. Litigation Involving Securities and Economic Laws

NIL

C. PAST PENALTIES

NIL

PART 6: LITIGATION RELATING TO OUR GROUP COMPANIES

A. LITIGATION AGAINST OUR GROUP COMPANIES

1. Litigation involving Civil Laws

NIL

2. Litigation involving Criminal Laws

NIL

3. Litigation Involving Securities and Economic Laws

NIL

4. Litigation Involving Taxation

NIL

B. LITIGATION FILED BY OUR GROUP COMPANIES

1. Litigation involving Civil Laws

NIL

2. Litigation involving Criminal Laws

NIL

3. Litigation Involving Securities and Economic Laws

NIL

C. PAST PENALTIES

NIL

PART 7: LEGAL NOTICES**1. Legal notices issued to our Company**

NIL

2. Legal Notices issued by our Company

NIL

3. Legal Notices issued to our Group Companies

NIL

4. Legal Notices issued by our Group Companies

NIL

PART 8: AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS

NIL

GOVERNMENT AND OTHER STATUTORY APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Draft Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus.

On the basis of approvals sought from various government authorities as set out below, our Company is permitted to carry on its business activities.

I. APPROVALS FOR THE ISSUE

1. The Board of Directors have, pursuant to Section 81(1A) of the Companies Act, by a resolution passed at its meeting held on January 21, 2013 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant Section 81(1A) of the Companies Act, by a Special Resolution passed in the Extra Ordinary General Meeting held on March 2, 2013, authorized the Issue.
3. Our Company has obtained in-principle listing approval dated [●] from the SME platform of the BSE.

II. INCORPORATION AND OTHER DETAILS

1. Certificate of Incorporation dated July 28, 1995 issued by the Registrar of Companies, Maharashtra ("RoC") in the name of "Suyog Telematics Private Limited".
2. Fresh Certificate of Incorporation dated July 27, 2013 issued by the RoC consequent upon change of name from "Suyog Telematics Private Limited" to "Suyog Telematics Limited".
3. The Corporate Identity Number (CIN) of the Company is U32109MH1995PLC091107.

III. GENERAL APPROVALS

1. The Company has obtained Certificate of Registration No. S008994/ Commercial II under the Bombay Shops and Commercial Establishments Act, 1948 for its **Registered Office** located at the Landmark 41-A Suyog Industrial Estate, LBS Marg, Vikhroli (W)-400083. This Certificate is valid until December 31, 2013.
2. The Company has obtained Certificate of Registration No. 20164/ Commercial II under the Uttarakhand Shops and Commercial Establishments Act, 1962 for its Marketing Office located at the Landmark Tilak Complex, 27 Tilak Road, Dehradun. This Certificate is valid until March 31, 2015.

3. The Company has obtained Certificate of Entrepreneurs Memorandum for Service Enterprise from the Director of Industries, Maharashtra on August 13, 2010. This Certificate is valid until cancelled.

IV. APPROVALS RELATING TO BUSINESS OF THE COMPANY

1. The Company is registered with the Government of India, Ministry of Communication and IT, Department of Telecommunications, as Infrastructure Provider Category I (IP-1) No. 198/2008 to establish and maintain the assets, such as Dark Fibers, Right of Way, Duct Space, and Tower, to grant on a lease/rent/sale basis to the licensees of the telecommunication services under Section 4 of the Indian Telegraph Act, 1885 on mutually agreed terms and conditions.
2. Our Company has received approvals from MSRDC and MMRDA for the purpose of installing BTS and wireless equipment on electric poles on various flyovers, subways, foot over bridges and sky walks. We have also obtained Structural Stability Certificates from Consulting Structural Engineers certifying stability of the various structures on which the equipments have been installed.
3. Although we make use of Diesel Generator sets at our sites, we use DG sets of power 15 KVA for which no approval from the Pollution Control Board is required. The DG sets however comply with the noise limits prescribed for the same and the certification requirements.
4. We have obtained electricity connection from B.E.S.T. for meters installed by us at the towers commissioned at various locations.
5. We have been granted permission by MSRDC to lay ducts in and around Mumbai area for the purpose of laying our Optical Fibre Network in such areas.
6. For the purpose of installing RTTs on job-work basis, our Company has been authorised by various land-lords for use of terrace premises for installing such RTTs. We have also obtained Structural Stability Certificates from Consulting Structural Engineers certifying stability of the buildings on which the RTTs have been installed.
7. In case the length of an Antenna is more than 5 metres beyond the existing roof top, then clearance from the Standing Advisory Committee on Frequency Allocations (SACFA), as applicable to the antenna, needs to be obtained. Our Company has made an application dated September 04, 2010 to the SACFA Secretariat for the purpose of obtaining approval(s) with regards to our RTTs and Roof Top Poles.

V. TAX RELATED APPROVALS

1. Permanent Account Number - AAFCS0334P
2. Tax Deduction Account Number – MUMS48914F
3. Service Tax Code (Registration Number) – AAFCS0334PSD001
4. Maharashtra Value Added Tax Number – 27450758483 V
5. Central Sales Tax Number – 27450758483 C.
6. Professional Tax Enrolment Certificate Number – 99442054918P

VI. APPROVALS RELATING TO INTELLECTUAL PROPERTY

Particulars of Mark	Word/ Label Mark	Class	Trade-mark Number	Date of Registration
Certificate of Registration of Trade Mark		38	1526180	October 8, 2008

VII. PENDING APPROVALS

The Company is in the process of making an application for the following approvals:

Sr. No.	Governing Rule	Particulars
1	Bombay Shops and Commercial Establishments Act, 1948	801/ A, Manas Residency, Opp. Teen Petrol Pump, Panchpakhadi, Thane (W) - 400604.
		Ground Floor, Suyog Apartment, Near Rishikendra High School, Signal Camp, Latur – 413512
		Office No. 104, 1 st Floor, "XL Plaza" Village Tirandaz, Near Bhavani Industrial Estate, IIT Market, Powai, Mumbai-400 076
2	Trade Marks Registry	Pursuant to the conversion of the Company from a private company into a public company, the Company proposes to amend its logo

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board of Directors have vide resolution dated January 21, 2013, authorised the Issue, subject to the approval by the shareholders of our Company under Section 81 (1A) of the Companies Act.

The shareholders have authorised the Issue, by passing a Special Resolution at the Extraordinary General Meeting held on March 2, 2013 in accordance with the provisions of Section 81(1A) of the Companies Act, 1956.

The Company has obtained approval from BSE vide letter dated [●] to use the name of BSE in this offer Document for listing of equity shares on the SME platform of the BSE. BSE is the designated stock exchange.

Prohibition by SEBI, the RBI or Governmental Authorities

We confirm that there is no prohibition on our Company, its Directors, Promoters and entities forming part of our Promoter Group from accessing the capital market or operating in the capital markets under any order or direction passed by SEBI.

We further confirm that none of our Company, its Promoters, its Group Companies or the relatives of our Promoters and Group Companies was ever identified as wilful defaulters by RBI or other authorities.

Association with Securities Market

We confirm that none of our Directors are associated with the Securities Market in any manner and no action has been initiated against these entities by SEBI at any time.

Eligibility for the Issue

Our Company is an "Unlisted issuer" in terms of the SEBI (ICDR) Regulation; and this Issue is an "Initial Public Offer" in terms of the SEBI (ICDR) Regulations.

This Issue is being made in terms with Regulation 106(M)(1) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an issuer whose post issue paid up capital is less than ₹ 10 crores and we may hence issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the "SME Platform of BSE").

We confirm that:

- a) In accordance with Regulation 106 (P) of the SEBI (ICDR) Regulations, this issue has been hundred percent underwritten and that the Lead Manager to the Issue has underwritten more than 15% of the total Issue Size. For further details pertaining to the said underwriting please see "*General Information*" beginning on page 43 of this Draft Prospectus.
- b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our Company becomes liable to repay it then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section 73 of the Companies Act, 1956.

- c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulation, 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 Manger 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 see "*General Information*" beginning on page 43 of this Draft Prospectus.

We further confirm that we shall be complying with all other requirements as laid down for such issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

- e) Our Company has Net Tangible assets of at least ₹ 1 crore as per the latest audited financial results
- f) The Net worth (excluding revaluation reserves) of our Company is at least ₹ 1 crore as per the latest audited financial results
- g) Our Company has track record of distributable profits in terms of sec. 205 of Companies Act, 1956 for at least two years out of immediately preceding three financial years and each financial year has to be a period of at least 12 months.
- h) The distributable Profit, Net tangible Assets and Net worth of our Company as per the restated financial statements for the year ended and as at March 31, 2012, 2011 and 2010 is as set forth below:

Particulars	Fiscal 2013	Fiscal 2012	Fiscal 2011
Distributable Profit ⁽¹⁾	100.11	72.28	63.55
Net tangible Assets ⁽²⁾	567.69	463.10	347.09
Net Worth ⁽³⁾	569.00	418.89	346.61

⁽¹⁾Distributable profits have been computed in terms section 205 of the Companies Act, 1956.

⁽²⁾Net Tangible Assets are defined as the sum of fixed assets (including capital work in-progress and excluding revaluation reserve) investments, current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities) and secured as well as unsecured long term liabilities excluding intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.

⁽³⁾Net Worth has been computed as the aggregate of equity shares capital and reserves (excluding revaluation reserves) and after deducting miscellaneous expenditure not written off, if any.

- i) As on the date of Draft Prospectus, our Company has a paid up capital of ₹ 465 lacs, which is in excess of ₹ 1 crore, and the Post Issue Capital shall also be in excess of ₹ 1 crore.
- j) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- k) There is no winding up petition against our company that has been accepted by a court.

- l) Our company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.
- m) We have a website: www.suyogtelematics.net

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, ARYAMAN FINANCIAL SERVICES 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, ARYAMAN FINANCIAL SERVICES LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [•] WHICH READS AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
 - A. THE PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
 - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - C. THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS CONTRIBUTION**

SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.

- 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.**
- 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE.**
- 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE "MAIN OBJECTS" LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**
- 9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE**
- 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.**
- 11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**
- 12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:**
 - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER, AND**
 - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**
- 13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.**
- 14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.**

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 BANKER AS PER FORMAT SPECIFIED BY SEBI 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 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MERCHANT BANKER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

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.
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 DRAFT PROSPECTUS. – NOT APPLICABLE
6. WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.

Disclaimer Clause of the SME Platform of BSE

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

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 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 see the website of the Lead Manager www.afsl.co.in.

CAUTION

The Lead Manager accept 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 July 04, 2013, the Underwriting Agreement dated August 08, 2013 entered into among the Underwriters and our Company and the Market Making Agreement dated August 08, 2013 entered into among the Market Maker, Lead Manager and our Company.

All information shall be made available by us and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres or elsewhere.

Note:

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India including Indian nationals resident in India (who are not minors), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. The Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai 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 Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause under Rule 144a of the U.S. Securities Act

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

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

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 this Prospectus shall be filed with SEBI at the Corporate Finance Department, Plot No. C-4A, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051.

A copy of this Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered to the RoC situated at 100, Everest, Marine Drive, Mumbai - 400002.

Listing

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, there is no requirement of obtaining In-Principle approval of the SME Platform of BSE. However, application shall be made to SME Platform of BSE for obtaining permission for listing of the Equity Shares being offered and sold in the Issue on its SME Platform after the allotment in the Issue. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within eight days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within 12 Working Days of the Issue Closing Date.

The Company has obtained 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.

Price Information of past issues handled by the Lead Manager

S. N o.	Issue Name	Issue size (₹ in lacs)	Issue Price (₹)	Listing date	Open ing price on listin g date (₹)	Closi ng price on listin g date (₹)	% Chang e in Price on listing date (Closin g) vs. Issue Price	Benchma rk index on listing date (Closing)	Closi ng price as on 10th calen dar day from listin g day	Benchma rk index as on 10th calendar day from listing day (Closing)	Closi ng price as on 20th calen dar day from listin g day	Benchma rk index as on 20th calendar day from listing day (Closing)	Closi ng price as on 30th calen dar day from listin g day	Benchma rk index as on 30th calendar day from listing day (Closing)
1	India Finsec Ltd	600.00	10.00	11/06/2013	10.00	10.50	5.00%	19,143.00	9.55	19,245.70	9.55	19,245.70	10.00	18,629.15
2	SRG Housing Finance Ltd.	700.80	20.00	11/09/2012	20.30	20.30	1.50%	17,852.95	21.00	18,349.25	20.15	18,823.91	20.00	18631.10
3	Jupiter Infomedia Ltd.	408.00	20.00	16/08/2012	22.00	22.05	10.25%	17657.00	21.95	17,783.21	22.40	17,313.34	23.55	18542.31
4	Sangam Advisors Ltd.	506.88	22.00	09/08/2012	22.10	22.00	0.00%	17,560.87	22.10	17,728.20	22.20	17,783.21	22.00	17313.34
5	VKS Projects Ltd.	5500.00	55.00	18/07/2012	55.80	55.05	0.09%	17185.01	55.50	16,839.19	53.10	17,601.78	52.00	17691.08
6	BCB Finance Ltd.	885.00	25.00	13/03/2012	27.00	25.70	2.80	17813.62	25.27	17361.74	25.35	17478.15	25.00	17332.62
7	Midvalley Entertainment Ltd.	6000.00	70.00	27/01/2011	73.00	58.05	(17.07)	18684.43	58.00	18008.15	60.55	18273.80	86.05	17700.91

Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in lacs)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30 th calendar day from listing day			Nos. of IPOs trading at premium as on 30 th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2013-14	1#	600.00	-	-	-	-	-	1	-	-	-	-	-	-
2012-13	4*	7115.68	-	-	-	-	-	3	-	-	1	-	-	1
2011-12	1^	885.00	-	-	-	-	-	1	-	-	-	-	-	-
2010-11	1	6000.00	-	-	1	-	-	-	-	-	-	-	-	1

As on the 30th Calendar day from the listing day, the price of India Finsec Limited is exactly equal to its Issue Price and

hence it is neither trading at Premium or Discount.

**As on the listing day, the price of Sangam Advisors Ltd. is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount; As on the 30th Calendar day from the listing day, the price of SRG Housing Finance Ltd. and Sangam Advisors Ltd. is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount.*

^As on the 30th Calendar day from the listing day, the price of BCB Finance Limited is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount.

Notes:

(a) In case the 10th, 20th and 30th calendar day from the date of listing is a holiday, or if the stock was not traded on the said calendar days from the date of listing, the share price and benchmark index is taken of the immediately preceding working day

(b) BSE SENSEX has been considered as the benchmark index.

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Statutory Auditors, Bankers to the Company; and (b) the Lead Manager, Escrow Collection Bankers, Registrar to the Issue, the Legal Advisors to the Issue, to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s. Maheshwari & Co., Chartered Accountants, the Auditors of the Company have agreed to provide their written consent to the inclusion of their report dated August 12, 2013 on Restated Financial Statements, Statement of Funds Deployed dated August 10, 2013 and Statement of Tax benefits dated August 10, 2013, 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 have not been withdrawn up to the time of delivery of this Draft Prospectus.

Expert Opinion

Except for the below stated reports and certificate included in the Draft Prospectus, our Company has not obtained any expert opinions:

1. Statutory Auditor – Statement of Tax Benefits
2. Peer Reviewed Auditor – Restated Financial Statements

Issue Related Expenses

The expenses of this Issue include, among others, underwriting and management fees, Market Making Fees, selling commissions, SCSB's commission/ fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees is given below:

Sr. No.	Particulars	Amount (₹ in 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.	44.00
2	Printing & Stationery, Distribution, Postage, etc	2.50
3	Advertisement & Marketing Expenses	1.50
4	Regulatory & other expenses	5.00
Total		53.00

Fees, Brokerage and Selling Commission Payable to the Lead Manager

The total fees payable to the Lead Manager (including underwriting commission and selling commission) is as stated in the MOU dated July 04, 2013, the Underwriting Agreement dated August 08, 2013 and the Market Making Agreement dated August 08, 2013 among the Company and the Lead Manager and other parties, a copy of which will be made available for inspection at our Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the MoU between the Company and the Registrar to the Issue dated February 27, 2013.

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

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

Suyog Telematics 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 and Rights Issues

We have not made any previous rights and public issues, and we are an "Unlisted Company" in terms of the SEBI (ICDR) Regulations and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations.

Previous Issues of Equity Shares otherwise than for Cash

Except as stated in the chapter titled "*Capital Structure*" beginning on page 50 of this Draft Prospectus, we have not issued any Equity Shares for consideration other than for cash.

Companies under the same Management

There are no companies under the same management within the meaning of section 370 (1B) of the Companies Act, 1956, that has made any public issue (including any rights issues or composite issues to the public) during the last three years.

Promise v. Performance – Associates

Our Company and Promoter Group have not made any previous rights and public issues.

Outstanding Debentures, Bonds, Redeemable Preference Shares and Other Instruments Issued by the Company

The Company has no outstanding debentures or bonds. The Company has not issued any redeemable preference shares or other instruments in the past.

Stock Market Data for our Equity Shares

This being an initial public issue of the Company, the Equity Shares of the Company are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The Company has appointed Sharepro (India) 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 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.

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

We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Board by a resolution on July 29, 2013 constituted a Shareholders/Investors Grievance Committee. The composition of the Shareholders/Investors Grievance Committee is as follows:

Sr. No.	Name	Designation in Committee	Nature of Directorship
1	Mr. Gurushantappa Lature	Chairman	Chairman & Non-Executive Director
2	Mr. Shivshankar Lature	Member	Managing Director
3	Mr. Kallinath G Chitradurga	Member	Independent Director

For further details, please see the chapter titled "*Our Management*" beginning on page 123 of this Draft Prospectus.

We have also appointed Ms. Neha Sharma as the Company Secretary and Compliance Officer for this Issue and she may be contacted at the registered office of our Company. The contact details are as follows:

Ms. Neha Sharma

41, Suyog Industrial Estate,
1st Floor, LBS Marg,
Vikhroli West, Mumbai – 400083.
Tel No.: +9122 2579 5516
Fax No.: +9122 2579 5516
Email: investor@suyogtelematics.net

Investors can contact the Compliance Officer or the Registrar to the Issue or the Lead Manager in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts and refund orders.

Status of Investor Complaints

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

Disposal of Investor Grievances by Listed Companies under the same Management as the Company

No company under the same management as the Company within the meaning of Section 370(1B) of the Companies Act has made any public issue (including any rights issues to the public) during the last three years and hence there are no pending investor grievances

Change in Auditors

Our current statutory auditor M/s. Maheshwari & Co., Chartered Accountants was appointed vide a special resolution at the EGM on March 02, 2013 in place of M/s. Rambhia & Dedhia, Chartered Accountants who could not continue their services. Except as mentioned herein, there has been no other change in the auditors during the last three years.

Capitalisation of Reserves or Profits

Except as stated in the chapter titled "*Capital Structure*" beginning on page 50 of this Draft Prospectus, our Company has not capitalised our reserves or profits during the last five years.

Revaluation of Assets

We have not revalued our assets in the last five (5) years.

SECTION VII: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of this Draft Prospectus, the Prospectus, the 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 this 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.

Authority for the Issue

This Issue of Equity Shares has been authorized by the Board of Directors of our Company at their meeting held on January 21, 2013 and was approved by the Shareholders of the Company by passing a Special Resolution at the Extraordinary General Meeting held on March 2, 2013 in accordance with the provisions of Section 81(1A) of the Companies Act, 1956.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment.

For further details, please see the section titled "*Main Provisions of the Articles of Association of our Company*" beginning on page 239 of this Draft Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 1956. For further details, please see the chapter titled "*Dividend Policy*" beginning on page 141 of this Draft Prospectus.

Face Value and Issue Price

The Equity Shares having a face value of ₹ 10 each are being issued in terms of this Draft Prospectus at the price of ₹ 25 per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled "*Basis for Issue Price*" beginning on page 68 of this Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Rights of the Equity Shareholders

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

- ✓ Right to receive dividend, if declared;
- ✓ Right to attend general meetings and exercise voting rights, unless prohibited by law;
- ✓ Right to vote on a poll either in person or by proxy;
- ✓ Right to receive offer for rights shares and be allotted bonus shares, if announced;
- ✓ Right to receive surplus on liquidation;
- ✓ Right of free transferability; and
- ✓ Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the listing agreements with the Stock Exchange and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, etc., please see the section titled *"Main Provisions of Articles of Association of our company"* beginning on page 239 of this Draft Prospectus.

Minimum Application Value; Market Lot and Trading Lot

As per the provisions of the Depositories Act, 1996, the shares of a Body Corporate can be in Dematerialised form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode.

The investors have an option either to receive the security certificate or to hold the securities with depository. However, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in Dematerialised form only.

Trading of the Equity Shares will happen in the minimum contract size of 6,000 Equity Shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012 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 Issue will be done in multiples of 6,000 Equity Share subject to a minimum allotment of 6000 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 12 Working days of closure of issue.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or

in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 109B of the Companies Act, any Person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- ✓ to register himself or herself as the holder of the Equity Shares; or
- ✓ to make such transfer of the Equity Shares, as the deceased holder could have made

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with. In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

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

Arrangements for Disposal of Odd Lots

The trading of the Equity Shares will happen in the minimum contract size of 6,000 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 see the section titled "*Main Provisions of the Articles of Association of our Company*" beginning on page 239 of this Draft Prospectus.

Option to receive Equity Shares

The investors have an option either to receive the security certificate or to hold the securities with depository. However, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in Dematerialised form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Platform of BSE.

Migration to Main Board

In accordance with the BSE Circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the SME Platform of the BSE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter XB of the SEBI (ICDR) Regulation, 2009, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.
- If the Paid up Capital of the company is more than ₹ 10 crores but below ₹ 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The shares issued through this Issue are proposed to be listed on the SME Platform of BSE (SME Exchange), wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Maker of the SME Exchange for a minimum period of three years from the date of listing on the SME Platform of BSE or up to the Migration to Main Board whichever is earlier.

For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker, please see "*General Information*" on page 43 of this Draft Prospectus.

New Financial Instruments

The Issuer Company is not issuing any new financial instruments through this Issue.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, Maharashtra. The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within

the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(1) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue paid up capital does not exceed ₹ 10 crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an issue, please see the chapters titled "Terms of the Issue" and "Issue Procedure" on pages 203 and 211 respectively, of this Draft Prospectus.

Following is the issue structure:

Public issue of 18,12,000 Equity Shares of ₹ 10 each (the "Equity Shares") for cash at a price of ₹ 25 per Equity Share (including a Share premium of ₹ 15 per Equity Share) aggregating to ₹ 453 lacs ("the Issue") by Suyog Telematics Limited ("STL" or the "Company" or the "Issuer").

The issue comprises a Net Issue to Public of 17,04,000 Equity Shares of ₹ 10 each ("the Net issue") and a reservation of 1,08,000 Equity Shares for subscription by the designated Market Maker ("the Market Maker Reservation Portion").

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	17,04,000 Equity Shares	1,08,000 Equity Shares
Percentage of Issue Size available for allocation	94.04% of the Issue Size	5.96% of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of 6,000 Equity Shares and further allotment in multiples of 6,000 Equity Shares each.	Firm Allotment
Mode of Application	For QIB and NII Applicants the application must be made compulsorily through the ASBA Process. The Retail Individual Applicant may apply through the ASBA or the Physical Form.	Through ASBA Process Only
Minimum Application Size	<p><i>For QIB and NII:</i></p> <p>Such number of Equity Shares in multiples of 6,000 Equity Shares such that the Application Value exceeds ₹ 2,00,000.</p> <p><i>For Retail Individuals:</i></p> <p>6,000 Equity Shares</p>	1,08,000 Equity Shares
Maximum Application Size	<p><i>For QIB and NII:</i></p> <p>Such number of Equity Shares in multiples of 6,000 Equity Shares such that the Application Size does not exceed 17,04,000 Equity Shares.</p>	1,08,000 Equity Shares

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
	<i>For Retail Individuals:</i> Such number of Equity Shares in multiples of 6,000 Equity Shares such that the Application Value does not exceed ₹ 2,00,000.	
Mode of Allotment	Dematerialized Form	Dematerialized Form
Trading Lot	6,000 Equity Shares	6,000 Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Terms of Payment	The entire Application Amount will be payable at the time of submission of the Application Form.	

**50 % of the shares offered are reserved for allocation to applications below or equal to ₹ 2 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:

- 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
- 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.

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.

Issue Programme

ISSUE OPENING DATE	[•]
ISSUE CLOSING DATE	[•]

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)(1) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process. Applicants are required to submit their Applications to the Selected Branches / Offices of the Escrow Bankers to the Issue who shall duly submit to them the Registrar of the Issue. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing. In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic application system of the stock exchanges by the Brokers (including sub-brokers) do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Applicants are required to ensure that the PAN (of the sole/ first Applicant) provided in the Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. In case of joint Applications, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.

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 SCSBs 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	Colour 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?

- ✓ Indian nationals resident in India, who are not minors, in single or joint names (not more than three);
- ✓ Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: —Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
- ✓ Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorised to invest in equity shares;
- ✓ 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 (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
- ✓ FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB portion;
- ✓ Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Applications portion;
- ✓ VCFs registered with SEBI;
- ✓ FVCIs registered with SEBI;
- ✓ Eligible QFIs;
- ✓ Multilateral and bilateral development financial institutions;
- ✓ State Industrial Development Corporations;
- ✓ Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;

- ✓ Scientific and/or industrial research organizations authorized in India to invest in equity shares;
- ✓ Insurance companies registered with Insurance Regulatory and Development Authority;
- ✓ Provident Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- ✓ Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- ✓ Limited liability partnerships;
- ✓ National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the GoI, published in the Gazette of India;
- ✓ Nominated Investor and Market Maker
- ✓ Insurance funds set up and managed by the army, navy or air force of the Union of India; and
- ✓ Multilateral and Bilateral Development Financial Institutions
- ✓ Insurance funds set up and managed by the Department of Posts, India
- ✓ Any other person eligible to Apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

As per RBI regulations, OCBs are not permitted to make an application in this 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 allotment.

Applications not to be made by:

1. Minors
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

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, from the Corporate Office of the Lead Manager to the Issue, Registrar to the Issue and the Collection Centres of the Bankers to the Issue, as mentioned in the Application Form. The Application Forms may also be downloaded from the website of BSE Limited i.e. www.bseindia.com.

Option to Subscribe in the Issue

- a) Investors will have the option of getting the allotment of specified securities either in physical form or in dematerialization form.
- b) The equity shares, on allotment, shall be traded on stock exchange in demat segment only.

- c) A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

Participation by Associates of Lead Manager

Except for the underwriting obligations, the LM shall not be allowed to subscribe to this Issue in any manner. However, except 1,08,000 Equity Shares which shall be subscribing under the Market Maker Reservation Portion, 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.

Information for certain types of Investors for making an Application

Application by Indian Public including eligible NRIs applying on Non-Repatriation

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/ Institutions and not in the names of Minors, Foreign Nationals, Non Residents (except for those applying on non-repatriation), Trusts (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUFs application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of securities exceeding the number of securities offered to the public.

Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

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.

Applications by Eligible NRIs/FIIs 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 Eligible QFIs

The RBI in its circular dated January 13, 2012 has permitted Eligible QFIs to purchase equity shares of Indian companies on a repatriation basis subject to certain terms and conditions. Eligible QFIs have been permitted to invest through SEBI registered qualified depository participants ("DP") in equity shares of Indian companies which are offered to the public in India in accordance with SEBI regulations. The individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid up capital respectively. These limits are in addition to the investment limits prescribed under the portfolio investment scheme for FIIs and NRIs. However, in cases of those sectors which have composite foreign investment caps, Eligible QFI investment limits are required to be considered within such composite foreign investment cap.

SEBI in its circular dated January 13, 2012 has specified among other things eligible transactions for Eligible QFIs (which includes purchase of equity shares in public issues to be listed on recognised stock exchanges and sale of equity shares held by Eligible QFIs in their demat account through SEBI

registered brokers), manner of operation of demat accounts by Eligible QFIs, transaction processes and investment restrictions. SEBI has specified that transactions by Eligible QFIs shall be treated at par with those made by Indian non-institutional investors with respect to margins, voting rights, public issues etc.

Eligible QFIs are required to instruct their DPs to make the application on their behalf for the Issue. DPs are advised to use the Application Form meant for Non-Residents (blue in colour). DPs are required to utilise the ASBA process to participate in the Issue.

Eligible QFIs are not permitted to issue off-shore derivative instruments or participatory notes.

Applications by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

As per the current regulations, the following restrictions are applicable for SEBI Registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI.

Accordingly, whilst the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund, a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital Investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

Applications by Limited Liability Partnerships

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, as amended ("LLP Act") a certified copy of certificate of registration issued under the LLP Act 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. December 26, 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 ₹ 2500 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, Eligible QFIs, Insurance Companies and Provident Funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 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 ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 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 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 6,000 Equity Shares and in multiples of 6,000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed ₹ 2,00,000.

b) For Other Applicants (Non-Institutional Applicants and QIBs)

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹ 2,00,000 and in multiples of 6,000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Applicant cannot withdraw or lower the size of their Applications (both in terms of number of Equity Shares applied for and Application Amount) at any stage and are required to pay the entire Application Amount upon submission of the Application.**

The identity of QIBs applying in the Net Issue under the QIB Portion shall not be made public during the subscription Period. In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

Information for the Applicants

1. Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
2. The LM will circulate copies of the Prospectus along with the Application Form to potential investors.
3. 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 the Registered Office of the Company or from the Corporate office of the LM.
4. Applications made in the name of Minors and/or their nominees shall not be accepted.
5. 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.
6. Applicants who are interested in subscribing for the Equity Shares should approach the branches of the Banker to the Issue or collection centres to submit their Applications. Applicants should obtain the acknowledgement from the Banks/collection centres and retain with them for reference.
7. After the Issue Closing Date, the Registrar will process the Applications and our company will approach the BSE for approval of the Basis of Allotment.
8. On approval of the Basis of Allotment, the Registrar will process and effect the demat credits to the successful applicants and the refund for the other applicants.
9. Our Company will complete the listing formalities and obtain the listing and trading approval so as to commence trading within 12 working days of the Issue Closing Date.

ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the LM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

ASBA Process

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or

bank account utilized by the ASBA Applicant ("ASBA Account") is maintained. The Application Form shall bear the stamp of the SCSBs and if not, the same shall be rejected.

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 authorize 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.

ESCROW MECHANISM

For details of the escrow mechanism and payment instructions, please see the chapter titled "*Issue Procedure*" beginning on page 211 of this Draft Prospectus.

ELECTRONIC REGISTRATION OF APPLICATIONS

1. The Broker / Sub Broker and SCSBs will register the Applications using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Applications are being accepted. The Lead Manager, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Brokers and the SCSBs, (ii) the Applications uploaded by the Brokers and the SCSBs, (iii) the Applications accepted but not uploaded by the Brokers and the SCSBs or (iv) with respect to ASBA Applications, Applications accepted and uploaded without blocking funds in the ASBA Accounts.
2. The SCSBs shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs and (iv) with respect to Applications by ASBA Applicants, Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by the SCSBs, the full Application Amount has been blocked in the relevant ASBA Account.
3. In case of apparent data entry error either by the Broker / Sub Broker or the collecting bank in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s).
4. The Brokers / Sub Brokers and SCSBs will undertake modification of selected fields in the Application details already uploaded within one Working Day from the Issue Closing Date.
5. The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available with the Brokers and the SCSBs during the Issue Period. The Brokers / Sub Brokers and the Designated Branches can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis. On the Issue Closing Date, the Brokers and the Designated Branches shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Brokers / Sub Brokers on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.

6. At the time of registering each Application and each ASBA Application submitted by an ASBA Applicant, the Brokers and the Designated Branches shall enter the following details of the investor in the on-line system, as applicable:

- Name of the Applicant
- IPO Name
- Application Form number
- Investor Category;
- PAN (of First Applicant, if more than one Applicant);
- DP ID of the demat account of the Applicant;
- Client Identification Number of the demat account of the Applicant;
- Numbers of Equity Shares Applied for;
- Cheque Details in case of Applications other than ASBA Application and Bank Account details in case of ASBA Applicants;
- Location of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
- Bank account number.

In case of submission of the Application by an ASBA Applicant through the Electronic Mode, the ASBA Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.

7. A system generated TRS will be given to the Applicant as a proof of the registration of the application. It is the Applicant's responsibility to obtain the TRS from the Brokers / Sub Brokers or the Designated Branches. The registration of the Application by the Brokers / Sub Brokers or the Designated Branches does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
8. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
9. In case of QIB Applicants, the Lead Manager has the right to accept the Application or reject it. However, the rejection should be made at the time of receiving the Application and only after assigning a reason for such rejection in writing. In case on Non-Institutional Applicants and Retail Individual Applicants, Applications would be rejected on the technical grounds.
10. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
11. Only Applications that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. The Brokers / Sub Brokers will be given up to one day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar will receive this data from the Stock Exchanges and will validate the electronic Application details with depository's records. In case no corresponding record is available with depositories, which matches the three parameters, namely DP ID, Beneficiary Account Number and PAN, then such Applications are liable to be rejected.

Signing of Underwriting Agreement

Vide an Underwriting agreement dated August 08, 2013 this issue is 100% Underwritten.

Filing of the Prospectus with the RoC

Our Company will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper and one widely circulated Hindi language national daily newspaper. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price.

Issuance of a Confirmation of Allocation Note ("CAN")

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the Brokers a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

Designated Date and Allotment of Equity Shares

The Company will issue and dispatch Letters of Allotment/ Securities Certificates and/ or letters of regret along with Refund Order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 12 days of the Issue Closing Date.

In case the Company issues Letters of Allotment, the corresponding Security Certificates will be kept ready within three months from the date of allotment thereof or such extended time as may be approved by the Company Law Board under Section 113 of the Companies Act, 1956 or other applicable provisions, if any. Allottees are requested to preserve such Letters of Allotment, which would be exchanged later for the Security Certificates.

After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Applicants depository account. Allotment of the Equity Shares to the allottees shall be within two working days of the date of Allotment.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

Applicants to whom refunds are made through electronic transfer of funds will be sent a letter intimating them about the mode of credit of refund within 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 centres will be payable by the Applicants.

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.

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 SCSBs. 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 Bankers to the Issue are not located may submit/mail their applications at their sole risk along with Demand Draft payable at Mumbai.

Applicant's Depository Account and Bank Details

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, Applicant's 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.

Applications by Non-Residents including Eligible NRIs, FIIs and Foreign Venture Capital Funds on a repatriation basis

Applications and revision to Applications must be made in the following manner:

1. On the Application Form or the Revision Form, as applicable (Blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained overleaf.
2. In a single name or joint names (not more than three and in the same order as their Depository Participant Details).
3. Applications on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of persons not competent to contract under the Indian Contract Act, 1872, as amended, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Applications by Eligible NRIs for an amount of up to ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Applications for an amount of more than ₹ 200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

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 PAYMENT INSTRUCTIONS

PAYMENT INSTRUCTIONS

Escrow Mechanism for Applicants other than ASBA Applicants

Our Company shall open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the Applicants (other than ASBA Applicants) shall make out the cheque or demand draft in respect of his or her Application and/or revision of the Application. Cheques or demand drafts received for the full Application Amount from Applicants in a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Prospectus and the Escrow Agreement. The Escrow Collection Bank(s) for and on behalf of the Applicants shall maintain the monies in the Escrow Account. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Applicants. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account opened with the Public Issue Account Bank. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Applicants shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Prospectus.

The Applicants should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Applicants.

the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Applicants so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Application Form. Our Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

As per the existing policy of the Government of India, OCBs are not permitted to participate in the Issue.

There is no reservation for Eligible NRIs and FIIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

Terms of Payment / Payment Instructions

The entire Issue Price of ₹ 25 per share is payable on application. In case of allotment of lesser number of Equity shares than the number applied, the Company shall refund the excess amount paid on Application to the Applicants.

Payments should be made by cheque, or demand draft drawn on any Bank (including a Co operative Bank), which is situated at, and is a member of or sub member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques/ bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

Cash/ 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: "Escrow Account – Suyog Telematics Limited – R".
 - In case of Non-Resident Retail Applicants applying on repatriation basis: "Escrow Account – Suyog Telematics Limited – 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.

For Terms of Payment / Payment Instructions for ASBA Applicants, please see "Issue Procedure for ASBA Applicants" under the chapter "Issue Procedure" beginning on page 211 of this Draft Prospectus.

Payment by Stock Invest

In terms of the RBI 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.

SUBMISSION OF APPLICATION FORM

All Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Brokers / Sub Brokers at the time of submission of the Application. With regard to submission of Application Forms, please see the chapter titled "*Issue Procedure*" beginning on page 211 of this Draft Prospectus.

Kindly note that the Brokers / Sub Brokers at the Collection Centers may not accept the Application if there is no branch of the Escrow Collection Banks at that location.

No separate receipts shall be issued for the money payable on the submission of Application Form or Revision Form. However, the collection centre of the Brokers / Sub Brokers will acknowledge the receipt of the Application Forms or Revision Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. In case of ASBA Applications, an acknowledgement from the Designated Branch or concerned Brokers / Sub Brokers, as the case may be, for submission of the Application Form may be provided.

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:

- a. 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
- b. 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.
- c. 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 Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants and Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

Grounds for Technical Rejections

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
2. 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;
3. Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
4. PAN not mentioned in the Application Form;
5. GIR number furnished instead of PAN;
6. Applications for lower number of Equity Shares than specified for that category of investors;
7. Applications at a price other than the Fixed Price of the Issue;
8. Applications for number of Equity Shares which are not in multiples of 6,000;
9. Category not ticked;
10. Multiple Applications as defined in this Draft Prospectus;
11. In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
12. Applications accompanied by Stock invest/ money order/ postal order/ cash;
13. Signature of sole Applicant is missing;

14. 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;
15. 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;
16. Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
17. Applications where clear funds are not available in the Escrow Account as per the final certificate from the Escrow Collection Bank(s);
18. Applications by OCBs;
19. Applications by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
20. Applications not duly signed;
21. Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
22. Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
23. Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
24. 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;
25. Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000 received after 5.00 pm on the Issue Closing Date;

APPLICANTS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BROKERS DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.

Equity Shares in Dematerialised Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the allotment of Equity Shares in this Issue shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among the Company, the respective Depositories and the Registrar to the Issue:

1. Agreement dated [●] with NSDL, the Company and the Registrar to the Issue;

2. Agreement dated [●] with CDSL, the Company and the Registrar to the Issue.

All Applicants can seek allotment only in dematerialised mode. Applications from any Applicant without relevant details of his or her depository account are liable to be rejected.

1. 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.
2. 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.
3. Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
4. 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.
5. 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.
6. 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.
7. Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
8. The trading of the Equity Shares of our Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.
9. Non-transferable allotment advice or refund orders will be directly sent to the Applicants by the Registrar to the Issue.

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.

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

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.

IMPERSONATION

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

"Any person who:

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

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 6,000 equity shares the allotment will be made as follows:
 - a) Each successful applicant shall be allotted 6,000 equity shares; and
 - b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
- 4) If the proportionate allotment to an applicant works out to a number that is not a multiple of 6,000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 6,000 equity shares subject to a minimum allotment of 6,000 equity shares.
- 5) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 6,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.
- 6) The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
 - a) A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
 - b) The balance net offer of shares to the public shall be made available for allotment to (i) individual applicants other than retails individual investors and (ii) 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 (i) or (ii) shall/may be made available for allocation to applicants in the other category, if so required.

If the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Executive Director / Managing Director of BSE - the Designated Stock Exchange in addition to the Lead Manager and the Registrar to this 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.

PROCEDURE AND TIME SCHEDULE FOR TRANSFER OF EQUITY SHARES

The Issue will be conducted through the "Fixed Price Method" pursuant to which the Brokers / Sub-Brokers and SCSBs will accept Applications for the Equity Shares during the Issue Period. The Issue Period will commence on [●] and expire on [●]. Following the expiration of the Issue Period, our Company, in consultation with the Lead Manager, will determine the basis of allotment and

entitlement to allotment based on the applications received and subject to the confirmation by the Stock Exchanges. Successful Applicants will be provided with a confirmation of their allocation and will be required to pay unpaid amount, if any, for the Equity Shares within a prescribed time. The Prospectus will be filed with SEBI and the Registrar of Companies and will be made available to investors. The SEBI (ICDR) Regulations, 2009 require our Company to complete the allotment to successful Applicants within 12 days of the expiration of the Issue Period. The Equity Shares will then be credited and allotted to the investors' demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence.

Letters of Allotment or Refund Orders or Instructions to the SCSBS

The Registrar to the Issue shall give instructions for credit of the Allotted Equity Shares to the beneficiary account with depository participants within 12 Working Days from the Issue Closing Date. Applicants residing at the centers where clearing houses are managed by the RBI will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit, RTGS and NEFT. Our Company shall ensure dispatch of refund orders, if any, by registered post or speed post at the sole or First Applicant's sole risk within 12 Working Days of the Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 12 Working Days of closure of Issue Closing Date. In case of ASBA Applicants, the Registrar shall instruct the relevant SCSBs to, on the receipt of such instructions from the Registrar, unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 12 Working Days of the Issue Closing Date.

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 Lead Manager shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the Beneficiary's Identity, then such Applications are liable to be rejected.

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.

Payment of Refund

Applicants must note that on the basis of name of the Applicants, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Application Form, the Registrar will obtain, from the Depositories, the Applicants' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Applicants' sole risk and neither the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the LM shall be liable to compensate the Applicants for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes as given hereunder:

- 1) **ECS** (*Electronic Clearing System*) - Payment of refund would be done through ECS for applicants having an account at any of the centres where such facility has been made available specified by the RBI. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code from the Depositories.
- 2) **Direct Credit** - Applicants having bank accounts with the Refund Banker(s), as mentioned in the Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.
- 3) **RTGS** (*Real Time Gross Settlement*) - Applicants having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds ₹ 2.00 lacs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the application Form. In the event the same is not provided, refund shall be made through NECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.
- 4) **NEFT** (*National Electronic Fund Transfer*) - Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.
- 5) For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and

payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

Interest In Case Of Delay in Despatch Of Allotment Letters Or Refund Orders/ Instruction To The SCSBS By The Registrar

The issuer agrees that as far as possible allotment of securities offered to the public shall be made within twelve (12) days of the closure of public issue. The issuer further agrees that it shall pay interest at the rate of fifteen (15) per cent per annum if the allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within fifteen days from the date of the closure of the issue. However applications received after the closure of issue in fulfilment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

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 us;
- 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 letter of allotment/ 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) That adequate arrangements shall be made till the securities offered through this Offer Document are listed or till the application moneys are refunded on account of non-listing, under subscription, etc.;
- 8) That we shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

Utilization of Issue Proceeds

Our Board certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 73 of the Companies Act;

- 2) Details of all monies utilized out of the Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of Clause 52 of the SME Listing Agreement in relation to the disclosure and monitoring of the 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

The Company, in consultation with the Lead Manager, 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 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.

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 Stock Exchanges where the Equity Shares are proposed to be listed shall also be informed promptly.

If the Company withdraws the Issue after the Application Closing Date, the Company will be required to file a fresh Draft Offer Document with the Stock Exchange.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to 100% under automatic route in our Company.

India's current Foreign Direct Investment ("FDI") Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI ("DIPP") by circular 1 of 2013, with effect from April 05, 2013 ("Circular 1 of 2013"), consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The Government proposes to update the consolidated circular on FDI Policy once every Year and therefore, Circular 1 of 2013 will be valid until the DIPP issues an updated circular. FIIs are permitted to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

The transfer of shares by an Indian resident to a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI. Further, in terms of the Consolidated FDI Policy, prior approval of the RBI shall not be required for transfer of shares between an Indian resident and person not resident in India if conditions specified in the Consolidated FDI Policy have been met.

The transfer of shares of an Indian company by a person resident outside India to an Indian resident, where pricing guidelines specified by RBI under the foreign exchange regulations in India are not met, will not require approval of the RBI, provided that (i) the original and resultant investment is in line with Consolidated FDI policy and applicable foreign exchange regulations pertaining to inter alia sectoral caps and reporting requirements; (ii) the pricing is in compliance with applicable regulations or guidelines issued by SEBI; and (iii) a compliance certificate in this regard is obtained from chartered accountant and attached to the filings made before the authorised dealer bank.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

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

The above information is given for the benefit of the Applicants. Our Company and the 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 Bids are not in violation of laws or regulations applicable to them.

SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF OUR COMPANY

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

1.
 - a) The Authorised Share capital of the Company is ₹ 10,00,00,000/- (Rupees Ten Crores Only) divided into 1, 00,00,000 (One Crore) Equity Shares of ₹ 10/- (Rupees Ten Only) each, with power to increase or reduce such capital from time to time in accordance with the Regulations of the Company and with power to divide the shares in the capital for the time being into Equity Share Capital or Preference Share Capital and to attract thereto respectively any preferential, qualified or special rights, privileges or conditions. If and whenever the capital of the Company is divided into shares of different classes, the rights of any such class may be varied, modified, extended, abrogated or surrendered as provided in the Articles of the Company and the legislative provisions for the time being in force. The Company shall be entitled to dematerialize its existing shares, reconvert its shares held by the depositories electronically to physical form and/or to offer its fresh shares in electronic form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.
 - b) The minimum Paid-up Share Capital of the Company shall be ₹ 5,00,000/- (Rupees Five Lacs only).

Increase of capital of the Company and how carried into effect:-

2. The Company in General Meeting, may from time to time, increase its capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof shall prescribe and if no direction be given, as the Directors shall determine and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of a of the Company and with a right of voting at General Meetings of the Company, in conformity with provisions of the Act. Whenever the capital of the Company has been increased under the provisions of these Articles, the Directors shall comply with the provisions of Section 97 of the Act.

Allotment otherwise than for cash

3. Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the capital of the Company as payment or part-payment for any property or assets of any kind whatsoever, sold or to be sold or transferred or to be transferred or for goods or machinery supplied or to be supplied or for services rendered or to be rendered or for technical assistance or know-how made or to be made available to the Company or the conduct of its business and shares which may be so allotted may be issued as fully or partly paid-up otherwise than in cash and if so issued, shall be deemed to be fully or partly paid as the case may be.

Additional capital to form part of existing capital

4. Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new shares, shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender transfer and transmission, voting and otherwise.

Preference Shares

5. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue Preferential Shares which are or at the option of the Company are to be liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

Buyback of shares

6. Notwithstanding anything contained in these articles, in accordance with the provisions of Sections 77A, 77AA and 77B of the Act or any statutory modification thereto and such other regulations and guidelines as may be issued in this regard by the relevant authorities, the Board of Directors/ Members may, if and when deem fit, buy back such of the Company's own shares, stocks or securities, whether or not they are redeemable, as it may decide, subject to such limits, upon such terms and conditions, and subject to such approval, as are specified in this regard.

Reduction of capital

7. The Company may (subject to the provisions of Sections 78, 80, 100 to 105 inclusive, of the Act) from time to time by Special Resolution, reduce its capital and any Capital Redemption Reserve Account or 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. This Article is not to derogate from any power the Company would have if it were omitted.

Variation of Rights

8. If at any time the share capital is divided into different classes of shares, all or any of the rights and privileges attached to the shares of any class may subject to the provisions of Sections 106 and 107 be varied, commuted, affected, dealt with or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution at a separate meeting of the holders of the issued shares of that class.

Issue of further pari passu shares not to affect the right of shares already issued

9. The rights conferred upon the holders of the shares of any class issued with preferred or any other rights shall not, unless, otherwise expressly provided by the terms of issue of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

Sub-division and consolidation of Shares

10. Subject to the provisions of Section 94 of the Act, the Company in General Meeting may from time to time, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that, as between the holders of the shares resulting from such sub-division one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others. Subject as aforesaid the Company in General Meeting may also cancel shares which have not been taken or

agreed to be taken by any person and diminish the amount of its share capital by the amount of shares so cancelled. The cancellation of shares in pursuance of this Article shall not be deemed to be a reduction of the share capital.

Issue of Sweat Equity Shares:

11. Company shall subject to and in accordance with the provisions of section 79A of the Act, shall have the power, by a Special Resolution passed at a General Meeting to issue Sweat Equity Shares to the Directors, Employees of either of the Company or of any of its subsidiary or holding Company.

Provision for issue of shares under Employees' Stock Option Scheme

- 12.
- a) Subject to the provisions of section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, and subject to these Regulations, the Board may, from time to time, create, offer and issue to or for the benefit of the Company's employees including the Directors, Executive Chairman, Vice-Chairman, the Managing Directors and the Whole time Directors such number of equity shares of the Company, in one or more tranches on such terms as may be determined by the Board prior to the issue and offer, in consultation with the authorities concerned and in accordance with such guidelines or other provisions of law as may be prevalent at that time but ranking pari passu with the existing equity shares of the Company.
 - b) The issue price of such shares shall be determined by the Board in accordance with the laws prevalent at the time of the issue.
 - c) In the alternative to equity shares, mentioned hereinabove, the Board may also issue bonds, equity warrants or other securities as may be permitted in law, from time to time.
 - d) All such issues as above are to be made in pursuance of Employees' Stock Option (ESOP) scheme to be drawn up and approved by the Board.

SHARES AND CERTIFICATES

Shares to be numbered progressively and no Shares to be sub-divided

13. The shares in the capital shall be numbered progressively according to their several denominations and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

Shares at the disposal of the Directors

14. Subject to the provisions of these Articles and the Act, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any one of them to such persons in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of the Act) at a discount and at such times as they may from time to time think fit and proper and with the sanction of the Company in General Meeting to give to any person the option to call for or allotted shares of any class of the Company either at par or at premium or subject as aforesaid at a discount during such time and for such consideration and such option being exercisable at such times as the Directors think fit; 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. The Board shall cause to be filed the returns as to allotment provided for in Section 75 of the Act. Provided that the

option or right to make call on shares shall not be given to any person except with the sanction of the Company in a General Meeting.

Acceptance of shares

15. Any application signed by or on behalf of, an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles; and every person who thus or otherwise accepts any shares and whose name is entered in its Register of Members shall, for the purpose of these Articles, be a Member of the Company.

Deposit and call, etc. to be a debt payable immediately

16. The money (if any) which the Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposits, call or otherwise, in respect of any shares allotted by them, shall, immediately on the inscription of the name of the allottee in the Register of Members as the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof and shall be paid by him accordingly.

Liability of Members

17. Every Member, or his heirs, executors, administrators or other representatives, shall pay to the Company the portion of the capital represented by his share or shares, which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Directors shall, from time to time, in accordance with the Company's Regulations require or fix for the payment thereof.

Share Certificate

- 18.
- a) The share certificates shall be issued in market lots and where share certificates are issued in either more or less than market lots, sub-division or consolidation of share certificates into market lots shall be done free of charge.
 - b) Any two or more joint allottees of a share shall, for the purposes of this Article, be treated as a single Member, and the certificate of any share which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled but shall not be bound, to prescribe a charge not exceeding Rupee One. The Company shall comply with the provisions of Section 113 of the Act.
 - c) Directors may sign a share certificate by affixing their signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

Renewal of/ Issue of Duplicate share certificate

- 19.
- a) No fee shall be charged for issue of new share certificates in replacement of those which are old, decrepit, and worn-out or where the cages on the reverse of the share certificates for recording transfers have been fully utilised.

- b) When a new share certificate has been issued in pursuance of Clause (a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "Issued in lieu of Share Certificate Nosub-divided/replaced/on consolidation of shares".
- c) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on payment of such fee, not exceeding Rupees two as the Board may from time to time fix, and on such terms, if any, as to evidence and indemnity as to payment of such out-of-pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit.
- d) When a new share certificate has been issued in pursuance of Clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "a duplicate issued in lieu of share certificate No.....". The word 'duplicate' shall be stamped or punched in bold letters across the face of the share certificate.
- e) Where a new share certificate has been issued in pursuance of Clause (a) or Clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against the name or names of the person or persons to whom the Certificate is issued the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in Register of Members by suitable cross reference in the "Remarks" column.
- f) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority or a resolution of the Board. The blank forms shall be consecutively machine numbered and the forms and blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or such other person as the Board may appoint for the purposes; and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- g) The Managing Director of the Company for the time being or, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of share certificates referred to in sub-clause (f).
- h) All books referred to in sub-clause (g) shall be preserved in good order permanently.
- i) The Shares in the Capital of the Company shall be numbered progressively according to their several denominations, provided however, that the provisions relating to progressive numbering shall not apply to the shares of the Company which are dematerialized or may be dematerialized in future or issued in future in dematerialized form, Except in the manner hereinbefore mentioned, no share shall be sub-divided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

Delivery of Share/Debenture Certificates

- 20. The Company shall within three months after the allotment of any of its shares or debentures or debenture-stock and within one month after the application for the registration of the transfer of any such shares or debentures or debenture-stock, complete and have ready for delivery the certificates of all shares, debentures or debenture stock allotted or transferred unless the conditions of issue of shares or debentures or debenture-stock otherwise provided. The expression 'transfer' for the purpose of this Article means, a transfer duly stamped and otherwise valid and does not include any transfer which the Company is for any reason entitled to refuse to register and does not register.

Liability of Joint Holders

- 21. If any share stands out in the names of two or more persons all the joint holders of the share shall be severally as well as jointly liable for the payment of all deposits, installments, and calls due in respect of such shares, and for all incidents thereof according to the Company's

Regulations, but the person first named in the Register shall, as regards receipt of dividend or bonus or service of notice, and all or any other matters connected with the Company, except voting at meetings and the transfer of the shares, and any other matter by the said Act or herein otherwise provided, be deemed the sole holder thereof.

Registered holder only the owner of the shares

22. Except as ordered by a Court of competent jurisdiction or by law required, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their discretion to register any shares in the joint names of any two or more persons, or the survivor or survivors of them.

Share Certificate for joint Members

23. The Company shall not be bound to register more than three persons as the joint holders of any share except in the case of executors or trustees of a deceased member and in respect of a share held jointly by several persons the Company shall not be bound to issue more than one certificate and delivery of a certificate for a share to any one of the several joint holders shall be sufficient delivery to all such holders.

Fractional Certificates

24. The Company may issue such fractional coupons as the Board may approve in respect of any of the shares of the Company on such terms as the Board thinks fit.

Underwriting and Brokerage Commission may be paid

25. Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person, in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures of the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures in the Company; But so that the commission shall not exceed in case of shares five percent of the price at which the shares are issued and in case of debentures two and a half percent of the price at which the debentures are issued.

Interest out of Capital - Interest may be paid out of Capital

26. Where any shares are issued for purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any land, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the works or buildings or provision of plant.

CALLS

Directors may make calls

27. The Board may from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such calls as it thinks fit upon the Members in respect of all monies unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the person or persons and at the time and place appointed by the Board. A call may be made payable by installments.

Notice of calls

28. Fifteen days notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such calls shall be made.

Calls to date from resolution

29. A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board.

Call may be revoked

30. A call may be revoked or postponed at the discretion of the Board.

Liability of Joint Holders

31. A joint-holder of a share shall be jointly and severally liable to pay all calls in respect thereof.

Directors may extend time

32. The Board may, from time to time at its discretion, extend the time fixed for payment of any call, and may extend such time as to all or any of the Members who from residence at a distance or other cause, the Board may deem fairly entitled to such extension save as a matter of grace and favour.

Overdue calls to carry interest

33. If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member and the Board shall be at liberty to waive payment of such interest either wholly or in part.

Sums deemed to be calls

34. Any sum, which by the terms of issue of a share become payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue of the same becomes payable, and in the case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or

otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Part payment on account of call etc. not to preclude forfeiture

35. Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter.

Proof on Trial or suit for money on shares

36. On the trial or hearing of any action or suit brought by the Company against any Member or his legal representative to recover any moneys claimed to be due to the Company for any call or other sum in respect of his shares, it shall be sufficient to prove:
- a) that the name of the Member, in respect of whose shares the money is ought to be recovered, appears entered in the Register of Members as the holder or one of the holders, at or subsequent to the date at which the money sought to be recovered is alleged to have become due, on the said shares;
 - b) that the resolution making the call is duly recorded in the minutes books, and
 - c) that notice of such call was duly given to the Member or his legal representatives issued in pursuance of these Articles; and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which such call was made, nor that the meeting at which such call was made was duly convened or constituted nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt and the same shall be recovered by the Company against the Member or his representative from whom it is ought to be recovered, unless it shall be proved, on behalf of such Member or his representatives against the Company that the name of such Member was improperly inserted in the Register or that the money sought to be recovered has actually been paid.

Payment of unpaid share capital in advance

- 37.
- a) The Board may if it thinks fit, subject to the provisions of the Act, agree to and receive from any Member willing to advance the same, either in money or moneys worth the whole or any part of the amount remaining unpaid on the shares held by him beyond the sum actually called up and upon the moneys so paid or satisfied in advance, or so much thereof, as from time to time and at any time thereafter exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances have been made, the Board may pay or allow interest at such rate as the Member paying such advance and the Board agree upon; provided always that if at any time after the payment of any such money the rate of interest so agreed to be paid to any such Member appears to the Board to be excessive, it shall be lawful for the Board from time to time to repay to such Member so much of such money as shall then exceed the amount of the calls made upon such shares, unless there be an express agreement to the contrary; and after such repayment such Member shall be liable to pay, and such shares shall be charged with the payment of all future calls as if no such advance had been made; provided also that if at any time after the payment of any money so paid in advance, the Company shall go into liquidation, either voluntary or otherwise, before the full amount of the money so advanced shall have become due by the Members to the Company, on installments or calls, or in any other manner, the maker of such advance shall be

entitled (as between himself and the other Members) to receive back from the Company the full balance of such moneys rightly due to him by the Company in priority to any payment to Members on account of capital.

- b) No Member paying any such sum in advance shall be entitled to any voting rights, dividend or right to participate in profits in respect of money so advanced by him until the same would but for such payment become presently payable.

FORFEITURE AND SURRENDER OF AND LIEN ON SHARES

If money payable on share not paid notice to be given to Members

- 38. If any Member fails to pay any call or installment of call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

Terms of notice

- 39. The notice shall name a day (not being earlier than the expiry of fourteen days from the date of service of notice) and a place or places on and at which such call or installment and such interest thereon at such rate as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and the place appointed, the share in respect of which the call was made or installment is payable will be liable to be forfeited.

In default of payment, shares may be forfeited

- 40. If requirements of any such notice as aforesaid are not complied with, every or any share in respect of which such notice has been given, may at any time thereafter, but before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited shares and not actually paid before the forfeiture.

Notice of forfeiture

- 41. When any share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture or to any of his legal representatives, or to any of the persons entitled to the shares by transmission and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members but no forfeiture, shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

Forfeited shares to become property of the Company and may be sold, etc.

- 42. Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.

Members still liable to pay money due notwithstanding the forfeiture

43. Any Member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay, and shall forthwith pay to the Company on demand all calls, amounts, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment thereof if it thinks fit.

Effect of forfeiture

44. The forfeiture of a share shall involve extinction, at the time of the forfeiture, of all Interest in and 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 by these Articles are expressly saved.

Surrender of shares

45. The Directors may subject to the provisions of the Act, accept a surrender of any shares from or by any Member desirous of surrendering them on such terms as they think fit.

Evidence of forfeiture

46. A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on the 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.

Company's lien on shares

47. The Company shall have a first and paramount lien upon all the shares, not being fully paid-up shares, registered in the name of each Member (whether solely or jointly with another or others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called up or payable at a fixed time in respect of such shares and no equitable interest in any share shall be created except upon the footing and condition that Article 24 hereof is to have full effect. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien if any on such shares. The Board of Directors may at any time declare any shares to be exempt, wholly or partially from the provisions of this Article.

Lien enforced by sale

48. For the purpose of enforcing such lien, the Directors may sell the shares subject thereto in such manner as they think fit and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their Member or some other person to execute a transfer thereof on behalf of and in the name of such Member. No such sale shall be made until such time as the moneys in respect of which such lien exists or some part thereof is presently payable or the liability in respect of which such lien exists is liable to be presently fulfilled or discharged and until notice in writing of the intention to sell shall have been served on such Member, or his heirs, executors, administrators, or other representatives or upon the persons (if any) entitled by transmission to the shares or any one or more of such heirs, executors, administrators, representatives or persons, and default shall have been made by him or them in payment, fulfill or discharge of such debts, liabilities or engagements for fourteen days after such notice.

Application of sale proceeds

49. The net proceeds of any such sale after payment of the costs of such sale shall be applied in or towards the satisfaction of such debts, liabilities or engagements and the residue (if any) paid to such Member, or any of his heirs, executors, administrators, representatives or assigns or any of the persons (if any) entitled by transmission to the shares sold.

Validity of sale under Articles

50. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the Shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only in and against the Company exclusively.

Cancellation of share certificate in respect of forfeited shares

51. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

Power to annul forfeiture

52. The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

TRANSFER AND TRANSMISSION OF SHARES***Register of Transfers***

53. The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form. The Company shall have the power to maintain the Register of Transfer and Register of Member may with the approval of the Members at the place other than the Registered Office of the Company.

Form of transfer

54. Shares in the Company shall be transferred by an instrument in writing in such form as prescribed under Section 108 of the Companies Act, 1956, or under rules made thereunder from time to time.

To be executed by Transferor and Transferee

55. The instrument of transfer duly stamped and executed by the transferor and the transferee shall be delivered to the Company in accordance with the provisions of the Act. The instrument of transfer shall be accompanied by such evidence as the Board may require to prove the title of the transferor and his right to transfer the shares and every registered instrument of transfer shall

remain in the custody of the Company until destroyed by an order of the Board. The transferor shall be deemed to be the holder of such shares until the name of the transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer, the certificate or certificates of the shares must be delivered to the Company.

56. In the case of transfer or transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

Directors may refuse to register transfers

57. Subject to the provisions of Section 111 of the Act, the Board, may at its own absolute and uncontrolled discretion, and without assigning any reason, decline to register or acknowledge any transfer of shares whether fully paid or not, (notwithstanding that the proposed transferee be already a Member), but in such cases it shall, within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of refusal to register such transfer. Provided that registration of a transfer shall not be refused on the ground that the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except on shares.

Refusal to register transfer

58. In particular and without prejudice to the generality of the above powers, the Board may subject to the provisions of Section 111 of the Companies Act, 1956 decline to register In exceptional circumstances when it is felt that the transferee is not a desirable person from the larger point of view of the interest of the Company as a whole subject to the provisions of the clause (c) of subsection (4) of Section 22A of the Securities Contract (Regulation) Act.

Sub-division, consolidation In marketable lots only

59. Transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scrips of any small denominations or to consider a proposal for transfer of shares comprised in a share certificate to several parties, involving such splitting, if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of shares in violation of the Stock Exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.

Death of one or more joint holders of shares

60. In case of the death of any one or more of the persons named in the Register of Members as the joint holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate or a deceased joint-holder for any liability on shares held by him jointly with any other person.

Title to shares of deceased Member

61. The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased Member(not being one or two or more joint-holders) shall be the only person recognized by the Company as having any title to the shares registered in the name of such Member, and the Company shall not be bound to recognize such executors or administrators or holders of a Succession Certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letter of Administration or Succession Certificate, as the case may be, from a duly constituted court in the Union of India provided that in case where the Board in its absolute discretion think fit, the Board may dispense with production of Probate or Letters of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and under Article 63 register the name of any person who claims to be absolutely entitled to shares standing in the name of a deceased Member, as a Member.

No transfer to insolvent, etc.

62. No share shall, in any circumstances, be transferred to any insolvent or person of unsound mind.

DEMATERIALIZATION OF SECURITIES

Company to recognize interest in dematerialized securities under Depositories Act.

- 63.
- a) Either the Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, as amended from time to time or any statutory modification thereto or re-enactment thereof.
 - b) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing securities, dematerialize its securities held In the Depository and/or offer its fresh securities in the dematerialized form pursuant to the Depositories Act and the rules framed thereunder, if any.
 - c) Every person subscribing to or holding securities of the Company shall have the option to receive security certificate or to hold the security with a Depository, the Company shall Intimate such Depository the details of allotment of the security, and on receipt of the Information, the Depository shall enter in its record the name of the allottee ad the Beneficial Owner of the security.
 - d) All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A and 187C of the Act shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owners.
 - e) Notwithstanding anything to the contrary contained in the Act or the Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the Beneficial Owner.
 - f) Same as otherwise provided In (1) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
 - g) Every person holding securities of the Company and whose name is entered as Beneficial Owner in the records of the Depository shall be deemed to be the Member of the Company.

The Beneficial Owner of securities shall be entitled to all the rights and benefits subject to all the liabilities in respect of his securities which are held by a Depository.

- h) Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the register of Members as holders of any share or where the name appears as Beneficial Owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equitable, contingent, future or partial interest in any share, or (except only as is by these Articles, otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.
- i) Every Depository shall furnish to the Company about the transfer of securities in the name of a Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.
- j) Upon receipt of certificate of securities of surrender by a person who has entered into an agreement with the Depository through a Participant, the Company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.
- k) If a Beneficial Owner seeks to opt out of a Depository in respect of any security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its records and shall inform the Company. The Company shall, within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.
- l) Notwithstanding anything in the Act or these Articles to the contrary, these securities are held in a Depository, the records of the beneficial ownership⁹ may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.
- m) Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depository Act.
- n) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.
- o) The shares in the capital be numbered progressively according to their several denominations, provided however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialized or may be dematerialized in future or issued in future in dematerialized form. Except in the manner hereinbefore mentioned, no share shall be sub-divided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.
- p) The Company shall cause to be kept a Register and index of Members and a Register and index of Debenture holders in accordance with Sections 151 and 152 of the Act respectively, and the Depositories Act, with details of shares and debentures held in material and dematerialized forms in any media as may be permitted by law including in any form of electronics media. The Register and index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be the Register and index of Members and Register and index of Debenture holders, as the case may be, for the purpose of the Act. The Company shall have the power to keep in any state or country outside India a branch Register of Members resident in that state or country.
- q) The Company shall keep a Register of Transfer and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form.

Registration of person entitled to shares otherwise than by transfer

64. Subject to the provisions of the Act and Articles 62 and 63 any person becoming entitled to shares in consequences of death, lunacy, bankruptcy or insolvency of any Member, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some persons nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained, and until he does so he shall not be freed from any liability in respect of the shares.

Persons entitled may receive dividends without being registered as Members

65. A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided be entitled to receive, and may give a discharge for any dividends or other moneys payable in respect of the shares.

Fee on Transfer or Transmission

66. No fee shall be charged for transfer and, transmission of Shares or for registration of any of power of attorney, probate, letter of administration or other similar documents.

The Company not liable for disregard of a notice prohibiting registration of a transfer

67. The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of a person or persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have any notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.

BORROWING POWERS***Power to Borrow***

68. Subject to the provisions of Sections 58A, 292 and 293 of the Act and of these Articles, the Board may, from time to time at its discretion, by a resolution passed at a Meeting of the Board, accept deposits from Members or public, either in advance of call or otherwise, and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company provided however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free

reserves (that is to say, reserves not set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting.

The payment or repayment of monies borrowed

69. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by a resolution passed at a meeting of the Board (and not by Circular Resolution) by the issue of debentures of the Company, charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being, and debentures, and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Terms of issue of debentures

70. Any debentures, debenture-stock or other Securities may be issued at a discount, premium or otherwise and may be issued on condition that they or any part of them shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting at) General Meeting appointment of Directors and otherwise. Debentures with a right to conversion or allotment of shares shall be issued only with the consent of the Company in General Meeting.

Register of Mortgages, etc. to be kept

71. The Board shall cause a proper register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company; and shall cause the requirements of Sections 118, 125, and 127 to 144 (both inclusive) of the Act, in that behalf to be duly complied with (within the time prescribed by the said sections or such extensions thereof as may be permitted by the Company Law Board or the Court or tribunal or the Registrar as the case may be) so far as they fail to be complied with by the Board.

Register and Index of Debenture holders

72. The Company shall, if any time it issues debentures, keep a Register and Index of Debenture holders in accordance with Section 152 of the Act. The Company shall have the power to keep in any State or Country outside India a Branch Register of Debenture-holders resident in that State or Country.

SHARE WARRANT

Power to issue share warrants

73. The Company may issue share warrants subject to, and in accordance with the provisions of sections 114 and 115, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up on 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 person 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.
74. The Board may, from time to time, make rules as to the 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 SHARE INTO STOCK AND RECONVERSION

Shares may be converted into stock

75. The Company in General Meeting may convert any paid-up shares into stock; and when any shares have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest therein, or any part of such interest, in the said manner and subject to the same Regulations as, and subject to which shares from which the stock arose might have been transferred if no such conversion had taken place, or as near thereto as circumstance will admit. The Company may at any time reconvert any stock into paid-up shares of any denomination.

Right of Stockholders

76. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose, but no such privilege advantage (except participation in the dividends and profits of the Company and in the assets on winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

MEMBERS' MEETINGS

Annual General Meeting

77. Annual General Meeting of the Company may be convened subject to Section 166 and Section 210 of the Act by giving not less than 21 days notice in writing. Subject to the provisions of Section 171 (2) a meeting may be convened after giving a shorter notice.

Extra ordinary General Meeting

78. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any Member or Members holding in the aggregate not less than one tenth of such of the paid-up capital; as at that date carried the right of voting in regard to the matter in respect of which the requisition has been made.

Requisition of Members to state Objects of Meeting

79. Any valid requisition so made by the Members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.

On receipt of requisition, Directors to call meeting and in default requisitionists may do so

80. Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting; and if it does not proceed within twenty-one days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid-up. share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in Section

169 (4) of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of deposit of the requisition as aforesaid.

Meeting called by requisitionists

81. Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.

Quorum at General Meeting

82. Five Members present in person shall be a quorum for a General Meeting.

Body corporate personally present

83. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act.

If quorum not present meeting to be dissolved or adjourned

84. If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting it convened by or upon the requisition of Members, shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day at such other time and place within the city or town in which the Office of the Company is situate as the Board may determine, and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the Members present shall be a quorum, and may transact, the business for which the meeting was called.
85. The Chairman (if any) of the Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman of the Directors, or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting then the Members present shall elect another Director as Chairman and if no Director be present or if all Directors present decline to take the Chair, then the members present shall elect one of their Members to be the Chairman.

Business confined to election of Chairman whilst chair vacant

86. No business shall be discussed at any General Meeting except the election of a Chairman, whilst the chair is vacant.

Chairman with consent may adjourn meeting

87. The Chairman with the consent of the meeting may adjourn any meeting from time to time and from place to place within the city or town in which the office of the Company is situated for the time being but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

Question at General Meeting how decided

88. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded

by a member or Members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than 1/10th of the total voting power in respect of the Resolution or on which an aggregate sum of not less than ₹ 50,000/- has been paid up. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

Chairman's casting vote

89. In the case of any equality of votes, the Chairman shall both on a show of hands and at a poll (if any) have a casting vote in addition to the votes to which he may be entitled as a Member.

Demand for poll not to prevent transaction of other business

90. The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

Member in arrears not to vote

91. No Member shall be entitled to vote either personally or by proxy at any General Meeting or meeting of a class of shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right of lien.

Number of votes to which Member entitled

92. Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every Member, not disqualified by the last preceding Article shall be entitled to be present and to speak and vote at such meeting, and on a show of hands every Member present in person shall have one vote and upon a poll the voting rights of every Member whether present in person or by proxy, shall be in proportion to his share of the paid-up equity capital of the Company.

Casting of votes by a Member entitled to more than one vote

93. On a poll taken at a 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.

Votes of Members of unsound mind and minors

94. A Member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hand or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll vote by proxy. If any Member be a minor, the votes in respect of his share or shares shall be by his guardian or any of his guardians, if more than one, to be elected in case of dispute by the Chairman of the meeting.

Votes of Joint Members

95. If there be joint registered holders of any shares, any one of such persons may vote at any meeting or may appoint another person (whether a Member or not) as his proxy in respect of such shares as if he were solely entitled therein but the proxy so appointed shall not have any

right to speak at the meeting and, if more than one of such joint-holders be present at any meeting, that one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint-holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose names shares stand shall for the purpose of these Articles be deemed joint holders thereof.

Voting in person or by proxy

96. Subject to the provisions of these Articles votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as the body could exercise if it were an individual Member.

Votes in respect of shares of deceased or insolvent Members

97. Any person entitled under Article 66 to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that 48 hours, at least, before the time of holding the meeting or adjourned meeting as the case may be at which he proposed to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

Appointment of proxy

98. Every proxy (whether a Member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation, or be signed by an officer or an Attorney duly authorised by it and any committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meeting.

Proxy either for a specified meeting or for specified period

99. An instrument of proxy may appoint a proxy either for purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purposes of every meeting of the Company, or of every meeting to be held before the date specified in the instrument and any adjournment of any such meeting.

No proxy except for a body corporate to vote on a show of hands

100. A Member present by proxy shall be entitled to vote only on a poll but not on a show of hands, unless such Member is a body corporate present by a representative in which case such proxy shall have a vote on the show of hands as if he were a Member.

Deposit of instrument of proxy

101. The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office not later than forty eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

Form of proxy

102. Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances win admit, be in any of the forms set out in Schedule IX of the Act.

Validity of votes given by proxy notwithstanding death of Member.

103. A vote given in accordance within the norms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting.

Time for objection to vote

104. No objection shall be made to the validity of any vote: except at any meeting or poll at which such vote shall be tendered and every vote, whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

Chairman of any meeting to be the judge of validity of vote

105. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

DIRECTORS

Number of Directors

106. Until otherwise determined by the Company in a General Meeting 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 and the Directors of the Company are:-
- 1. Mr. Shivshankar Lature**
 - 2. Mr. Madhukar Naik**
 - 3. Mr. Somnath Lature**
 - 4. Mr. Vivek Lature**
 - 5. Mr. Arvind Lature**

Qualification shares by Directors

107. The directors shall not be required to hold any qualification shares.
108. The Board may appoint, from time to time, one or more of their Members to be the Managing Director or Joint Managing Director or Wholtime Director or Deputy Managing Director or Manager of the Company on such terms and on such remuneration (whether by way of salary or commission, or partly in one and partly in another) as they may think fit. Managing Directors so appointed shall not while holding that office, be subject to retirement by rotation or taken into account in determining the rotation of retirement of directors, but their appointment shall be subject to determination ipso facto if they cease from any cause to be a director or if the Company in General Meeting resolve that their tenure of the office of Managing Director be determined.

109. Subject to the provisions of the Act, the Directors may from time to time entrust and confer upon a Managing Director for the time being such of the powers exercisable upon such terms and conditions and with such restrictions as they may think fit either collaterally with or to the exclusion of and in substitution for all or any of their own powers and from time to time revoke, withdraw, alter or vary all or any of such powers.

Special or Nominee Director

110. On behalf of the Company, whenever Directors enter into a contract with any Government, Central, State or Local, any 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 technical collaboration or assistance or for underwriting or entering into any other arrangement whatsoever, the Directors shall have, subject to the provisions of Section 255 of the Act, the power to agree that such appointer shall have 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 and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification shares. The Directors 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 fill any vacancy that may occur as a result of any such 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 and enjoyed by the Directors of the Company including payment, remuneration and travelling expenses to such Director or Directors as may be agreed by the Company with the appointer.

Debenture Directors

111. If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as Debenture Director. A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares.

Appointment of Alternate Director

112. The Board may appoint an Alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from the state in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to the State. If the term of office of the Original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

Directors' power to add to the Board

113. Subject to the provisions of Section 260 and 264, the Board shall have power at any time and from time to time to appoint any other qualified person to be an additional Director, but so that the total number of Directors shall not at any time exceed the minimum fixed under Article 110. Any such additional Director shall hold office only up to the date of the next Annual General Meeting.

Directors' power to fill casual vacancies

114. Subject to the provisions of Section 262 and 264 the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.

Remuneration of Directors

115. The remuneration of Directors and Executives of the Company, including the fees payable to the Directors of the Company in attending the Meeting of the Board or the Committees of the Board, shall be determined by the Board of Directors from time to time, provided that the sitting fees payable to the Directors as aforesaid shall be within the maximum limits of such fees that may be prescribed under the Act.

Directors' Travelling Expenses

116. In addition to the remuneration payable to them, the Directors shall be entitled to be paid all travelling, hotel and other incidental expenses properly incurred by them in attending and returning from meetings of the Board of Directors or any Committee thereof or General Meetings or in connection with the business of the Company. The rules in this regard may be framed by the Board of Directors from time to time.

Special remuneration for performing extra services

117. If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a Member of any committee formed by the Director(s) the Board may arrange with such Directors for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration, subject to provisions of the Act and confirmation by the Company in General Meeting.

Directors may act notwithstanding any vacancy

118. The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board of Directors, the continuing Director or Directors may act for the purpose of increasing the number of Directors to that fixed for a quorum or for summoning a General Meeting but for no other purpose.

Terms of office of Directors

119. Not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation.

Retirement of Directors by rotation

120. At every annual general meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one third, shall retire from office.

Ascertainment of Directors to retire

121. The Directors to retire by rotation under the foregoing article shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. A retiring Director shall be eligible for re-election.

Company to appoint Successors

122. The Company, at the annual general meeting at which a Director retires in manner aforesaid, may, fill up the vacated office by electing the retiring Director or some other person thereto.

Provisions in default of appointment

- 123.
- a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place,
 - b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless:
 - i) at the meeting or at the previous meeting a resolution for the re- appointment of such Director has been put to the meeting and lost;
 - ii) the retiring Director has, by s notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so re-appointed;
 - iii) he is not qualified or is disqualified for appointment;
 - iv) a resolution, whether special or ordinary is required for the appointment or re appointment by virtue of any provisions of the Act; or
 - v) the provision to sub-section (2) of Section 263 is applicable to the case.

Company may Increase or reduce number of Directors

124. Subject to Sections 252, 256 and 259 of the Act, the Company in general meeting may from time to time, increase or reduce the number of Directors, within the limits fixed in that behalf by these Articles.

Removal of Directors

125. The Company may (subject to the provisions of Section 284 of the Act) remove any Director before the expiration of his period of office and appoint another person in his stead.

PROCEEDINGS OF THE BOARD OF DIRECTORS***Meeting of Directors***

126. The Directors may meet together as a Board for the dispatch of business from time to time and shall so meet at least once in every three calendar months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they may think fit.

Notice of Board Meetings

127. Four clear day's notice at least of every meeting of the Board shall be given by the Secretary of the Company, if any, or by any person or persons nominated by the Executive Chairman, in writing to every Director at his usual address or on if so permitted through written communication sent electronically. Provided, however, that the Chairman of the Board shall have the powers to convene a meeting of the Board or to request the Secretary of the Company to convene a Meeting of the Board by giving a shorter notice. Such notice or shorter notice may be sent by hand delivery or post or by cable or telegram or by any written electronic mean depending upon the circumstances.

Quorum

128. Subject to Section 287 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (excluding Directors, if any, whose places may be vacant at the time, and any fraction contained in that one-third being rounded off as one), or two Directors whichever is higher. Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested present at the meeting being not less than two, shall be the quorum during such meeting.

Adjournment of meetings for want of quorum

129. If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned to such other time as may be fixed by the Chairman.

Secretary to call Board Meeting

130. The Secretary shall, and when directed by the Chairman or the Managing Director to do so, convene a meeting of the Board by giving a notice in writing to every other Director.

Chairman of Directors

131. The Directors shall choose one of their numbers to be the Chairman of the Directors who shall hold such office until the Directors otherwise determine. If at any meeting the Chairman of the Directors shall not be present at the time appointed for holding the same, the Directors present shall choose some one of their Member to be the Chairman of such meeting.

Questions how decided

132. Questions arising at any meeting of the Board shall be decided by a majority of votes and the Chairman shall not have second or a casting vote.

Powers of Board Meeting

133. A meeting of the Board for the time being at which a quorum is present, shall be competent to exercise all or any of the authorities, power and discretions which by or under the Act or the Articles of the Company are for the time being vested in or exercisable by the Board generally.

Appointment of Sub-committee

134. The Board may appoint from time to time a sub-committee consisting of one or more Director(s) and or one or more senior executive(s) of the Company or any professional to deal with matters including transfer / transmission of shares / debentures and such other matters incidental thereto with such powers and duties, as the Board deems fit.

Directors may appoint committees

135. Subject to the provisions of the Act, the Board may delegate any of its powers to committees of the Board consisting of such members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part, and either as to persons or purposes but every committee of the Board so formed shall in the exercise of the powers so delegated, conform to any Regulations that may from time to time be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such Regulations and in fulfillment of the purpose of their appointment but not otherwise shall have the like force and effect as if done by the Board.

Meetings of Committee how to be governed

136. The meetings and proceedings of any such committee of the Board consisting of two or more Members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article. The provisions of Article 136 shall mutatis mutandis apply to the meetings of such committee,

Circular Resolution

137. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors or to all the members of the committee then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be), and to all other Directors or members of the Committee, at their usual address in India and has been approved by such of the Directors or members of the Committee as are then in India, or by a majority of such of them as are entitled to vote on the resolution.

Validity of Directors' Acts

138. All acts done by any meeting of the Board or by a Committee or by a sub-committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors, or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director and had not vacated his office or his appointment had not been terminated. Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

Powers of Directors

139. The business of the Company shall be managed by the Board of Directors, who may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to the Regulations of these Articles to the provisions of the Act, or any other Act and to such Regulations being not inconsistent with the aforesaid Regulations or provisions as may be prescribed by the Company in General Meeting but no Regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that Regulation had not been made. Provided that the Board of Directors shall not except with the consent of the Company in General Meeting:-
- a. sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking;
 - b. remit or give time for the repayment of, any debt by a Director;
 - c. invest, otherwise than in trust securities, the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in Clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;
 - d. borrow moneys, where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes. Provided further that the powers specified in Section 292 of the Act shall be exercised only at meetings of the Board unless the same be delegated to the extent therein stated; or
 - e. contribute to Charitable and other funds not directly relating to the business of the Company or the welfare of its employees any amounts, the aggregate of which will in any financial year exceed Rupees Fifty Thousand only or five percent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.

Certain Powers to be exercised by the Board only at Meetings

140. The Board of Directors of the Company shall exercise the following powers on behalf of the Company and it shall do so only by means of resolutions passed at meetings of the Board:
- a. The power to make calls on share holders in respect of money unpaid on their shares;
 - b. The power to Issue debentures;
 - c. The power to borrow money otherwise than on debentures;
 - d. The power to invest the funds of the Company;

- e. The power to make loans;

Provided that the Board may, by a resolution passed at a meeting! delegate to any committee of Directors, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in clauses (b), (c) and (d) of this Article to the extent specified in sub-sections (2), (3) and (4) respectively of Section 292 of the Act, on such condition as the Board may prescribe, in respect of dealings between the Company and its bankers, the exercise by the Company of the powers specified in Clause (c) shall mean the arrangement made by the Company with its bankers for (he borrowing of money by way of overdraft or cash credit or otherwise and not the actual day to day operation on overdraft, cash credit or other accounts by means of which the arrangement so made is actually availed of.

Certain Powers of the Board

141. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power:

- 1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.

Payment out of Capital

- 2) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 76 and 208 of the Act,

To acquire property

- 3) Subject to Sections 291 and 292 of the Act to purchase or otherwise acquire for the Company any property, rights, privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they think fit, and in any such purchases or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.

To pay for property, etc.

- 4) At their discretion and subject to the provisions of the Act, to pay for any property, rights, or privileges acquired or services rendered in the Company either wholly or partially, in cash or in shares, bonds, debentures, mortgages, or other securities of the such amount credited as paid up thereon as may be agreed upon and any such bonds; debentures, mortgages or other securities may be either, specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

To secure contracts

- 5) To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.

To accept surrender of shares

- 6) To accept from any Member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.

To appoint Trustees

- 7) To appoint any person to accept and to hold in trust for the Company any property belonging to the Company, or in which it is interested, or for any other purposes; and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.

To bring and defend actions

- 8) To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers or otherwise payment or satisfaction of any debts due, and of any claims or demands by or against the Company, and to refer any differences to arbitration, and observe and perform any awards made thereon.

To act in insolvency matters

- 9) To act on behalf of the Company in all matters relating to bankrupts and insolvents.

To give receipts

- 10) To make and give receipts, releases and other discharges for moneys payable to the Company, and for the claims and demands of the Company.

To invest moneys

- 11) Subject to the provisions of Sections 292, 293 (1) (c), 295 and 372A of the Act, to invest, deposit and deal with any moneys of the Company not immediately required for the purpose thereof, upon such security (not being shares of this Company), or without security and in such manner as they may think fit, and from time to time to vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.

To provide for Personal Liabilities

- 12) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety: for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit; and any such mortgage may contain a power of sale, and such other powers, provisions, covenants and agreements as shall be agreed upon.

To authorise acceptances

- 13) To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give necessary authority for such purpose.

To distribute bonus

- 14) To distribute by way of bonus amongst the staff of the Company a share in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as part of the working expenses of the Company.

To provide for welfare of employees

- 15) To provide for the welfare of Directors or Ex-Directors or employees or ex employees of the Company and their wives, widows and families or the dependants or connections of such persons by building or contributing to the building of houses, dwellings or chaw or by grants of moneys, pensions, gratuities, allowances, bonus or other payments; or by creating and from time to time subscribing or contributing to provident and other associations, institutions or funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and subject to the provisions of Section 293 (1) (e) of the Act. To subscribe or contribute or otherwise to assist or to guarantee money to any charitable, benevolent religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation, or of public and general utility or otherwise.

To create reserve fund

- 16) Before recommending any dividend to set aside, out of the profits of the Company such sums as they may think proper for depreciation or to a Depreciation Fund or to an Insurance Fund or as a Reserve Fund or Sinking Fund or any special fund to meet contingencies or to repay debentures or debenture-stock, or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the preceding clause), as the Board may in their absolute discretion think conducive to the interest of the Company, and subject to Section 292 of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion, think, conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended, and to divide the reserve fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of the Reserve Fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or division of a Reserve Fund and with full power to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of debentures or debenture-stock, and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at

their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.

To appoint managers etc.

- 17) To appoint, and at their discretion remove or suspend such general managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think it, and to determine their powers and duties and fix their salaries, or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit.

To comply with local Laws

- 18) To comply with requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.

To appoint local board

- 19) From time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be Members of such Local Boards and to fix their remuneration.

To delegate powers

- 20) Subject to Section 291 and 292 of the Act, from time to time and at any time to delegate to any persons so appointed any of the powers authorities and discretions for the time being vested in the Board, other than their power to make call or to make loans or borrow moneys and to authorise the Members for the time being of any such Local Board, or any of them, to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms, and subject to such conditions as the Board may think fit, and the Board may at any time remove any persons so appointed and may annul any such delegation.

To issue power of attorney

- 21) At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities, and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in the limits authorised by the Board, the power to make Loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and any such appointment may (if the Board thinks fit) be made in favour of the Members of any local board, established as aforesaid or in favour of any Company or the shareholders, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly, or indirectly by the Board and any such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain Powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the Powers, authorities and discretions for the time-being vested in them.

To negotiate

- 22) Subject to Sections 294 and 297 of the Act for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds, and things in the name and on behalf of the Company as they may consider expedient.

To make and vary Regulations

- 23) From time to time make, vary or repeal bye-laws for the regulation of the business of the Company, its officers and servants.

Amendments to Accounts

- 24) The directors shall, if they consider it to be necessary and in the interest of the Company, be entitled to amend the Audited Accounts of the Company of any financial year which have been laid before the Company in General Meeting. The amendments to the Accounts effected by the directors in pursuance of this Article shall be placed before the Members General Meeting for their consideration and approval.

To formulate schemes, etc.

- 25) The directors may formulate, create, institute or set up such schemes, trusts, plans or proposals as they may deem fit for the purpose of providing incentive to the officers, employees and workers of the Company, including without limiting the generality of the foregoing, formulate schemes for the subscription by the officers, employees and workers to shares in, or debentures of, the Company.

Signing of cheques

142. All cheques, promissory notes, drafts, bills of exchange, and other negotiable instruments, and all receipts for moneys paid by the Company, shall be signed, drawn, accepted or otherwise executed as the case may be, in such manner as the directors shall from time to time by resolution determine.

Foreign register

143. The Company may exercise the powers conferred upon the Company by Sections 157 and 158 at the Act with regard to the keeping of branch registers of Members or debenture holders residing in any State or Country outside India, and the directors may (subject to the provisions of those Sections) make and vary such Regulations as they may think fit respecting the keeping of any such register.

Declaration of secrecy

144. Every director including Managing, Wholetime, Debenture or Special Director, Manager, Secretary, Treasurer, Trustees for the time being of the Company, Member or Debenture holder, Member of a committee, officer, servant, agent, accountant or any other person employed in or about the Company business shall if so required by the Board at Directors before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and all manufacturing, technical and business information of the Company, except when required so to do by the Board or by any meeting or by a Court of law and except so far as may be 'necessary in order to comply with any of the provisions in these Articles contained.

Secrecy of works and Information

145. No Member or other person (not being a director) shall be entitled to visit or inspect any works of the Company without the permission of the directors or to require discovery of any information concerning the business, trading or customers of the Company, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process, or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

Prohibition of simultaneous appointment of Managing Director and Manager

146. The Company shall not appoint or employ at the same time more than one of the following categories of management personnel namely:
- Managing Director and
 - Manager

Secretary

147. Subject to provisions of the Act, the Directors shall from time to time appoint a Secretary and at their discretion remove any such Secretary to perform any functions, which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Director may also at any time appoint any person or persons (who need not be the Secretary) to keep the registers required to be kept by the Company.

The Seal, its custody and use

- 148.
- The Board shall provide a Common Seal for the purposes of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and the Board shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.
 - The Company shall also be at liberty to have an official Seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.

Deed how executed

149. Every Deed or Other instrument, to which the Seal of the Company is required to be affixed, shall unless the same is executed by a duly constituted attorney be signed by one Director and witnessed by a Director or some other person appointed by the Board for the purpose provided that in respect of the Share Certificate the Seal shall be affixed in accordance with Rule 6 of the Companies (Issue of Share Certificates) Rules, 1960.

The Company In general meeting may declare dividends

150. Subject to the provisions of Section 205 of the Companies Act, 1956 the Company in General Meeting may declare dividends, to be paid to its Members according to their respective rights but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

Interim Dividend

151. The Board may, from time to time, pay to the Members such interim dividend as in their judgement the position of the Company justifies.

Capital paid-up in advance carrying Interest not to earn dividend

152. Where capital is paid in advance of calls, such capital may carry interest but shall not be in respect thereof confer a right to dividend or participate in profits.

Dividend to be paid pro-rata

153.

- 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 dividend is paid but if and so long as nothing is paid upon any shares 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 shares in advance of calls shall be treated for the purpose of this regulation as paid on shares.
- c. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid. But if any share is issued on terms providing that it shall rank for dividend as from a particular date such shares shall rank for dividend accordingly.

Retention of Dividends until completion of share transfer

154. The Board may retain the dividends payable upon shares in respect of which any person is, under Article 66 entitled to become a Member, which any person under that Article is entitled to transfer, until such person shall become a Member in respect of such shares or shall duly transfer the same.

Dividend, etc. to joint-holders

155. Any one of the several persons who are registered as the joint-holders of any share may give effectual receipts for all dividends or bonus and payment on account of dividends or bonus or other moneys payable in respect of such shares.

No Member to receive dividend whilst indebted to the Company and Company's right to reimbursement thereof

156. No Member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever either alone or jointly with any other person or persons; and the Board may deduct from the interest or dividend payable to any Member all sums of money so due from him to the Company.

Dividend in respect of the shares Transferred

157. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

Manner of payment of dividend

158. Unless otherwise directed, any dividend may be paid by cheque or warrant or by a pay slip or receipt having the force of a cheque or warrant sent through the post to the registered address of Member or person entitled or in case of joint holder to that one of them first named in the Register in respect of the joint holder. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be responsible for any cheque or warrant or pay slip or receipt lost in transmission or for any dividend lost to the Member or person entitled thereto by the forged signature of any pay slip or receipt or the fraudulent recovery of the dividend by any other means.

Interest on dividends

159. No unpaid dividend shall bear interest as against the Company. No unclaimed dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with all the provisions of Section 205A of the Act in respect of unpaid or unclaimed dividend.

Dividend and call together

160. Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the meeting fixes, but so that the call on each Member shall not exceed the dividend payable to him and so that the call may be made payable at the same time as the dividend and the dividend may, it so arranged between the Company and the Members, be set off against the call.

Capitalisation of Profits

- 161.
- 1) The Company in General Meeting may, upon the recommendation of the Board, resolve;
 - a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account, or otherwise available for distribution; and
 - b. that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
 - 2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3), either in or towards:
 - a. paying up any amounts for the time being unpaid on any shares held by such Member respectively;
 - b. paying up in full, un-issued shares of the Company to be allotted and distributed, credited as fully paid up to and amongst such Members in the proportions aforesaid; or
 - c. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b).
 - 3) A share premium account and a capital redemption reserve account may, for the purpose of this Regulation, only be applied in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares.
 - 4) The Board shall give effect to the resolution passed by the Company in pursuance of this Regulation.

162.

- 1) Whenever such a resolution as aforesaid shall have been passed, the Board shall:-
 - a. make all appropriation and application of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares, it any; and
 - b. generally do all acts and things required to give effect thereto.
- 2) The Board shall have full power:
 - a. to make such provision, by the issue of fractional certificates or by payment in cash or otherwise, as it thinks fit for the case of shares or debentures becoming distributable in fraction; and also
 - b. to authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation or (as the case may require) for the payment of by the Company on their behalf by the application thereto of their respective proportion of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares.
- 3) Any agreement made under such authority shall be effective and binding on all such Members.

Board Report

163. There shall be attached to every such balance sheet a report of the Board as to the state of the Company's affairs and as to the amounts, if any, which it proposes to carry to any reserves in such balance sheet and the amount, if any, which it recommends should be paid by way of dividend, and material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the balance sheet relates and the date of the report. The Board's report shall so far as is material for the appreciation of the state of the Company's affairs by its Members and will not in the Board's opinion be harmful to the business of the Company or any of its subsidiaries, deal with any changes which have occurred during the financial year in the nature of the Company's business, in the Company's subsidiaries or in the nature of the business carried on by them and generally in the classes of business in which the Company has an interest and any other information as may be required by Section 217 of the Act. The Board shall also give the fullest information and explanations in its report aforesaid or in an addendum to that report, on every reservation, qualification or adverse remark contained in the auditor's report. The Board's report and any addendum thereto shall be signed by its Chairman if he is authorised in that behalf by the Board; and when he is not so authorised, shall be signed by not less than two Directors.

Signing of Balance Sheet

164. The profit and loss account and balance sheet shall be signed by the Secretary if any, and by not less than two Directors, one of whom shall be a Managing Director if there is one, provided that if there is only one Director present in India at the time, the profit and loss account and balance sheet shall be signed by such Director but in such a case there shall be attached to the profit and loss account and balance sheet a statement signed by such Director explaining the reason for non-compliance with the aforesaid provision requiring the signature of Directors. The profit and loss account shall be annexed to the balance sheet and the auditor's report (including the auditor's separate, special or supplementary report, if any), shall be attached thereto, and such report shall be read before the Company in general meeting and shall be open to inspection by any Member,

Rights of Members to copies of Balance Sheet and Auditor's Report

165. The Company shall comply with the requirements of Section 219 of the Act.

DOCUMENTS AND NOTICES

Service of documents or notices on Members by the Company

166. A document or notice may be served or given by the Company on any Member either personally or by sending it by post to him to his registered address, or (if he has no registered address in India) to the address supplied by him to the Company for serving documents or notices on him.

Manner of service of documents or notices

167. Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing: prepaying and posting a letter containing the documents or notice, provided that where a Member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the Member and such service shall be deemed to have been effected in the case of notice of a Meeting at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case at the time of which the letter would be delivered in the ordinary course of post. -

By Advertisement

168. A document or notice advertised in a newspaper circulating in the city in which the office of the Company is situated shall be deemed to be duly served or sent on the day on which the Advertisement appears on or to every Member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notice to him.

On personal representatives, etc.

169. A document or notice may be served or given by the Company on or to persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the post in a prepaid letter addressed to them by name or by the title of representative of the deceased, or assignee of the insolvent or by any like description, at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled or (until such an address) has been so supplied by serving the documents or notice in any manner in which the same might have been given if the death or insolvency had not occurred.

On Joint-holders

170. A document or notice may be served or given by the Company to the joint holders of share by serving or giving the document or notice on or to the joint holder named first in the register of Members in respect of the share.

To whom documents or notices must be served or given

171. Documents or notices of every General Meeting shall be served or given in some manner hereinbefore authorised on or to (a) every Member, (b) every person entitled to a share In consequence of the death or insolvency of a Member and (c) the Auditor/s for the time being of the Company.

Members bound by documents or notices served on or given to previous holders

172. Every person, who, by operation of law, transfer or other means whatsoever, shall become entitled to any share shall be bound by every document or notice in respect of such shares which prior to his name and address being entered on the Register of Members, shall have been duly served on or giver to the person from whom he derives his title to such share.

Documents or notices by Company and signature thereof

173. Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board of Directors for such purposes and the signature thereto may be written, printed or lithographed.

Service of documents or notice by Member

174. All documents or notices to be served or given by Members on or to the Company or any officer at the office by post under a Certificate of Posting or by Registered Post, or by leaving it at the off ice

WINDING UP

Distribution of Assets

175. The Liquidator on any winding up (whether voluntary and supervision or compulsory) may with the sanction of a Special Resolution, but subject to the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributors, as the liquidator, with the like sanction shall think fit.

INDEMNITY AND RESPONSIBILITY

Officer's and others right to indemnity

176. Every officer or agent for the time being of the Company shall be Indemnified out of the assets of the Company against all liability incurred by him in relation to the business 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.

Directors, Managers etc. not liable for acts of others

177. Subject to the provisions of Section 201 of the Act, no Director, Managing Director, Wholetime Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the company through insufficiency of deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damages

arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, within whom any moneys, securities, or effects shall be entrusted or deposited or for any loss occasioned by way of error of judgement or oversight on his part or for any other loss or damage or misfortune whatsoever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material have been attached to the copy of the Draft Prospectus delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from Application/Issue Opening Date until the Application/Issue Closing Date.

A. Material Contracts

1. Memorandum of Understanding dated July 4, 2013 between our Company and the Lead Manager.
2. Memorandum of Understanding dated February 27, 2013 between our Company and the Registrar to the Issue.
3. Escrow Agreement dated [•] between our Company, the Lead Manager, Escrow Collection Bank(s), Refund bank and the Registrar to the Issue.
4. Market Making Agreement dated August 08, 2013 between our Company, the Lead Manager and the Market Maker.
5. Underwriting Agreement dated August 08, 2013 between our Company and the Lead Manager and the Market Maker.
6. Tripartite agreement between the NSDL, our Company and the Registrar dated [•].
7. Tripartite agreement between the CDSL, our Company and the Registrar dated [•].

Material Documents

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Copy of Certification of Incorporation of Suyog Telematics Limited.
3. Resolution of the Board of Directors meeting dated January 21, 2013, authorising the Issue.
4. Shareholders' resolution passed at the Extra Ordinary General Meeting dated March 02, 2013, authorising the Issue.
5. Consent from the Auditors for inclusion of their reports on the restated accounts in this Draft Prospectus.
6. Auditor's report for Restated Financials dated August 12, 2013 included in this Draft Prospectus.
7. The Statement of Tax Benefits dated August 10, 2013 from our Statutory Auditors.

8. Consent of our Directors, Company Secretary and Compliance Officer, LM, Legal Advisor to the Issue, Registrar to the Issue, Bankers to our Company, Market Maker, Underwriters, Escrow Collection Bank(s) and Refund Bank as referred to in their specific capacities.
9. Due Diligence Certificate(s) dated [●] of the Lead Manager to be submitted to SEBI along with the filing of the Prospectus.
10. Approval from BSE vide letter dated [●] to use the name of BSE in this Offer Document for listing of Equity Shares on the SME Platform of the 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

We, the Directors of the Company, hereby declare that, all the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government of India or the regulations or guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992, each as amended or rules made there under or guidelines / regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY:

Mr. Shivshankar Lature
(Managing Director)

Mr. Vivek Lature
(Whole-Time Director)

Mr. Gurushantappa Lature
(Non-Executive Director & Chairman)

Mr. Kallinath G Chitradurga
(Non-Executive Independent Director)

Mr. Deodatta Marathe
(Non-Executive Independent Director)

Mr. Satyajeet Choudhary
(Non-Executive Independent Director)

Ms. Neha Sharma
(Company Secretary & Compliance Officer)

Date: August 30, 2013
Place: Mumbai