

Draft Red Herring Prospectus

Please read Section 60B of the Companies Act, 1956

Book Built Issue

July 12, 2011

**INDECO VENTURES LIMITED**

Our Company was originally incorporated as “Siga Pharma Labs Private Limited” a private limited company under the provisions of the Companies Act, 1956, *vide* certificate of incorporation dated April 23, 1982, issued by the Registrar of Companies, Tamil Nadu (“RoC”). Our Company’s name was changed to Loyal Super Remedies Private Limited *vide* fresh certificate of incorporation dated November 29, 1985. Our Company was converted into a public limited Company *vide* a fresh certificate of incorporation dated March 01, 1986. The name of our Company was further changed to MSKV Remedies Limited *vide* a fresh certificate of incorporation dated January 24, 2002. The name of our Company was further changed to its present name, Ind Eco Ventures Limited *vide* fresh certificate of incorporation dated May 22, 2008 with CIN U24231TN1982PLC009345. The Registered Office of our Company is situated at Chennai, Tamil Nadu. For details of the change in the name and Registered Office of our Company, please refer to Chapter titled “History and Certain Corporate Matters” beginning on page 119 of this Draft Red Herring Prospectus.

Registered Office and Corporate Office: 4th Floor, Kothari Building, 114, Nungambakkam High Road, Chennai – 600 034, Tamil Nadu, India.

Tel: +91 44 2833 0867/ 2833 1310; **Fax:** +91 44 2833 0208;

Contact Person: Mr. K.K. Dinakar, Compliance Officer; **E-mail:** dinakar@eco.ind.in; **Website:** www.eco.ind.in

PROMOTERS OF OUR COMPANY : MR. K.V. BALA & LOYAL CREDIT AND INVESTMENTS LIMITED

THE ISSUE

PUBLIC ISSUE OF [●] CLASS I EQUITY SHARES OF FACE VALUE ₹ 10/- EACH OF INDECO VENTURES LIMITED (“IEVL OR THE “COMPANY” OR THE “ISSUER”), FOR CASH AT A PRICE OF ₹ [●] PER CLASS I EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER CLASS I EQUITY SHARE) FOR CASH AGGREGATING ₹ 10,500 LAKHS (THE “ISSUE”). THE ISSUE WILL CONSTITUTE [●]% OF THE FULLY DILUTED POST ISSUE CLASS I EQUITY PAID-UP CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND ADVERTISED AT LEAST TWO WORKING DAYS PRIOR TO THE BID OPENING DATE.

In case of revision in the Price Band, the Bidding Period shall be extended for at least three additional working days, subject to the Bidding Period not exceeding ten working days. Any revision in the Price Band, and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the Bombay Stock Exchange Limited (the “BSE”) and The National Stock Exchange of India Limited (the “NSE”), by issuing a press release and also by indicating the change on the website of the Book Running Lead Manager (“BRLM”) and the terminals of the other members of the Syndicate.

The Issue is being made through a Book Building Process in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, wherein not more than 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers (“QIBs”). Our Company may, in consultation with the BRLM, allocate upto 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Class I Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Any Bidder, except Anchor Investors, may participate in this Issue through the ASBA process by providing details of the relevant bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs. For details, please refer to the Section titled “Issue Procedure” beginning on page 246 of this Draft Red Herring Prospectus.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Issuer, there is no formal market for the Class I Equity Shares. The face value of the Class I Equity Shares is ₹ 10 and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value. The Issue Price has been determined and justified by our Company and the BRLM, as stated in “Basis for the Issue Price” on page 74 should not be taken to be indicative of the market price of the Class I Equity Shares after such Class I Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Class I Equity Shares or regarding the price at which the Class I Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Class I Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the chapter titled “Risk Factors” beginning on page 12 of this Draft Red Herring Prospectus.

ISSUER’S ABSOLUTE RESPONSIBILITY

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

LISTING ARRANGEMENT

The Class I Equity Shares of our Company offered through this Draft Red Herring Prospectus are proposed to be listed on BSE and the NSE. We have received in-principle approvals from BSE and NSE pursuant to letters dated [●] and dated [●] respectively for the listing of our Class I Equity Shares. For the purposes of this Issue, [●] shall be the Designated Stock Exchange.

IPO GRADING

This Issue has been graded by ICRA Limited and has been assigned the “IPO Grade [●]/5” indicating [●], through its letter dated [●], which is valid for a period of [●]. The IPO grading is assigned on a five point scale from 1 to 5 with an “IPO Grade 5” indicating strong fundamentals and an “IPO Grade 1” indicating poor fundamentals. The rationale furnished by the grading agency for its grading, will be available for inspection and will be provided to the Designated Stock Exchange and updated at the time of filing of the Red Herring Prospectus with the RoC. For further details, please refer to the chapter titled “General Information” beginning on page 43 of this Draft Red Herring Prospectus.

BOOK RUNNING LEAD MANAGER

Saffron Capital Advisors Private Limited
SEBI Reg. No. INM000011211
 A- 102, Everest Grande,
 Mahakali Caves Road,
 Andheri (East), Mumbai - 400 093
Tel: 91 22 4082 0906/917
Fax: 91 22 4082 0999
Email: ivl ipo@saffronadvisor.com
Website: www.saffronadvisor.com
Contact Person: Mr. Amit Wagle/Mr. Anup Varpe

REGISTRAR TO THE ISSUE

Bigshare Services Private Limited
SEBI Reg. No. INR000001385
 E-2/3, Ansa Industrial Estate,
 Saki Vihar Road, Saki Naka,
 Andheri (East), Mumbai – 400 072.
Tel: 91 22 2856 0652
Fax: 91 22 2847 5207
Email: ipo@bigshareonline.com
Website: www.bigshareonline.com
Contact Person: Mr. Ashok Shetty

BID/ISSUE PROGRAMME**

BID/ISSUE OPENS ON [●]

BID/ISSUE CLOSES FOR QIB BIDDERS ON [●]*

BID/ISSUE CLOSES FOR NON QIB BIDDERS ON [●]

* Our Company may consider closing the Bidding Period for QIB Bidders one day prior to the Bid/Issue Closing Date in accordance with the SEBI (ICDR) Regulations

* Our Company may consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one working day prior to the Bid/ Issue Opening Date

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, the following terms have the meanings given below. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

COMPANY RELATED TERMS

Term	Description
Articles/ Articles of Association	The Articles of Association of Ind Eco Ventures Limited.
Auditors	The statutory Auditors of our Company namely, S. Vasudevan & Associates, Chartered Accountants.
Board / Board of Directors	Board of Directors of Ind Eco Ventures Limited unless otherwise specified.
Corporate Promoter	Loyal Credit & Investments Limited
Class I Equity Shares	Equity Shares of face value ₹ 10 each with the rights, privileges and conditions attached thereto as per the relevant provisions contained in the Act
Class II Equity Shares	Equity Shares of face value ₹ 10 each which rank pari-passu with Class I shares in all respects other than with respect to voting and dividend. These Class II Equity Shares carry 1:100, i.e. one voting right for every hundred Class II Equity Shares held and Dividend Rights which shall be 3% less than the rate of dividend declared to Class I Equity Shares by our Company.
Director(s)	The Director(s) of our Company, unless otherwise specified
Equity Shares	Unless otherwise mentioned, it refers to Equity shares of our Company having a face value of ₹ 10 each fully paid up unless otherwise specified in the context thereof.
Group Companies	Companies, firms and ventures promoted by our Promoters, irrespective of whether such entities are covered under Section 370(1)(B) of the Companies Act and disclosed in Chapter titled “ <i>Our Promoter Group and Group Companies</i> ” beginning on page 142 of this Draft Red Herring Prospectus.
“Issuer” or “Our Company” or “Ind Eco” or “IEVL” or “we” or “us” or “our”	Unless otherwise specified, these references mean Ind Eco Ventures Limited, a public limited company incorporated under the Companies Act, 1956.
Memorandum/ Memorandum of Association	The Memorandum of Association of Ind Eco Ventures Limited.
Objects of the Issue	<ol style="list-style-type: none"> 1. To set up 5 MW Solar Project in Patan District, Gujarat, India 2. To meet Working Capital requirements 3. For General Corporate Purposes 4. To meet Issue Expenses
Project	To set up 5 MW Solar Project in Patan District, Gujarat, India
Promoter(s)	Mr. K.V. Bala and Loyal Credit & Investments Limited.
Promoter Group	Companies, individuals and entities (other than companies) as defined under Regulation 2 sub regulation (zb) of the SEBI ICDR Regulations.
Promoter Director	Mr. K.V. Bala
Registered and Corporate Office of our Company	4 th Floor, Kothari Buildings, 114 Nungambakkam High Road, Chennai – 600 034, Tamil Nadu.
Registrar of Companies/RoC	Block No.6, B Wing 2nd Floor, Shastri Bhawan 26, Haddows Road, Chennai – 600034.

CONVENTIONAL / GENERAL TERMS

Term	Description
Companies Act / Act	The Companies Act, 1956, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository	A body corporate registered under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time.
Depository Participant	A depository participant as defined under the Depositories Act.
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under.
FII / Foreign Institutional Investor	Foreign Institutional Investor (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under the applicable laws in India.
Financial Year / Fiscal / Fiscal Year / FY	Period of twelve months ended March 31 of that particular year, unless specifically stated otherwise.
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time.
GoI / Government	The Government of India.
I.T. Act / IT Act	The Income Tax Act, 1961, as amended from time to time.
I.T. Rules	Income Tax Rules, 1962, as amended from time to time.
Indian GAAP	Generally Accepted Accounting Principles in India.
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time.
SCRA	Securities Contracts (Regulation) Act, 1956, read with rules and regulations thereunder and amendments thereto, as amended from time to time.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992, read with rules and regulations thereunder and amendments thereto and as amended from time to time.
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as amended from time to time.
SEBI ICDR Regulations / SEBI ICDR Regulations 2009 / ICDR Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the circulars as specified in Clause 5 of SEBI/CFD/DIL/ICDRR/1/2009/03/09 dated September 03, 2009, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI Rules and Regulations	SEBI ICDR Regulations, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time, including instructions and clarifications issued by SEBI from time to time.
VCFs / Venture Capital Fund	Venture Capital Fund(s) as defined in and registered with SEBI under the SEBI (Venture Capital Funds) Regulations, 1996.
VCF Regulations	Securities Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended from time to time.

ISSUE RELATED TERMS

Term	Description
Allotted / Allotment / Allotment of Class I Equity Shares	Unless the context otherwise requires, the allotment of Class I Equity Shares pursuant to the Issue to successful Bidders.
Allocation / Allocation of Class I Equity Shares	Unless the context otherwise requires, the allocation of Class I Equity Shares pursuant to the Issue to successful Bidders.
Allottee	The successful Bidder to whom the Class I Equity Shares are being/ have been Allotted.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, who has Bid for an amount of at least ₹ 1000 Lakhs.
Anchor Investor Bidding Date	The date one day prior to the Bid/Issue Opening Date.
Anchor Investor Portion	Not more than [●] Class I Equity Shares representing upto 30% (which includes one third reserved for domestic Mutual Funds) of the QIB Portion, available for allocation to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations.
Anchor Investor Allocation Price	The price at which Class I Equity Shares will be allocated in terms of the Red Herring Prospectus and Prospectus to the Anchor Investors, which will be decided by our Company in consultation with the Book Running Lead Manager prior to the Bid Opening Date.
Anchor Investor Price/ Anchor Investor Issue Price	The price at which Allotment is made to Anchor Investors in terms of the Red Herring Prospectus / Prospectus, which shall be higher than or equal to the Issue Price, but not higher than the Cap Price and as determined by our Company in consultation with the BRLM
Anchor Investor Portion	Up to 30% of the QIB Portion or up to [●] Class I Equity Shares available for allocation to Anchor Investors on a discretionary basis at the Anchor Investor Issue Price, in accordance with the SEBI Regulations.
Application Supported by Blocked Amount/ASBA	The Application Supported by Blocked Amount (whether physical or electronic) used by a Bidder to make a Bid authorising the SCSB to block the Bid Amount in their specified bank account maintained with SCSB.
ASBA Account	Account maintained by an ASBA Bidder with a SCSB which shall be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder, as specified in the ASBA Bid cum Application Form.
ASBA Bid cum Application Form / ASBA Form	The Bid cum Application Form for ASBA Investors in terms of which the ASBA Bidder shall make an offer to subscribe to the Class I Equity Shares of our Company and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and Prospectus.
ASBA Investor / ASBA Bidder	An Investor who intends to apply through ASBA process in the Issue; is applying through blocking of funds in a bank account with the SCSB.
ASBA Public Issue Account	A bank account of our Company under Section 73 of the Companies Act, being the same as the Public Issue Account, where the funds shall be transferred by the SCSBs from the ASBA Account
Banker(s) to the Issue	[●]
Basis of Allotment / Basis of Allocation	The basis on which the Class I Equity Shares will be allotted / allocated to the successful bidders.
Bid	An indication to make an offer during the Bidding/Issue Period by a prospective investor to subscribe to our Class I Equity Shares at a price within the Price Band, including all revisions and modifications thereto. For the purposes of ASBA Bidders, it means an indication to make an offer during the Bidding Period by any Bidder pursuant to the submission of an ASBA Bid cum Application Form to subscribe to the Class I Equity Shares.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid-cum-Application Form or the ASBA Bid cum Application Form.

Term	Description
Bid / Issue Closing Date	Except in relation to Anchor Investors, the date after which the members of the Syndicate / SCSBs will not accept any Bids for the Issue, which shall be notified in an English national newspaper, Hindi national newspaper and a regional language newspaper with wide circulation, including any revisions thereof.
Bid / Issue Opening Date	Except in relation to Anchor Investors, the date on which the members of the Syndicate / SCSBs shall start accepting Bids for the Issue, which shall be the date notified in an English national newspaper, Hindi national newspaper and a regional language newspaper with wide circulation.
Bid Amount	The highest value of the optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder on submission of the Bid in the Issue. In case of ASBA Bidders the highest value of the optional Bids indicated in the ASBA Bid Cum Application Form.
Bid cum Application Form / Bid-cum-Application Form	The form in terms of which the Bidder shall make an offer to subscribe to the Class I Equity Shares of our Company which will be considered as the application for Allotment in the terms of the Red Herring Prospectus and Prospectus. Unless the context otherwise requires in this Draft Red Herring Prospectus, the Bid Cum Application Form includes ASBA Bid Cum Application Form.
Bidding Period or Bidding/ Issue Period or Issue/ Bidding Period or Bid / Issue Period.	The period between the Bid / Issue Opening Date and the Bid / Issue Closing Date, inclusive of both days, during which prospective Bidders, other than Anchor Investors can submit their Bids, including any revisions thereof.
Book Building Process	Book building mechanism as provided under Part A of Schedule XI of the SEBI ICDR Regulations, in terms of which the Issue is made.
BRLM / Book Running Lead Manager/Saffron	Book Running Lead Manager to the Issue, in this case being Saffron Capital Advisors Private Limited
CAN / Confirmation of Allocation Note	Except in relation to the Anchor Investors, the note or advice or intimation of allocation of Class I Equity Shares sent to the Bidders who have been allocated Class I Equity Shares after discovery of the Issue Price in accordance with the Book Building Process. Unless the context otherwise refers it also includes revised CAN(s) In relation to Anchor Investors, the note or advice or intimation sent to the successful Anchor Investors who have been allocated Class I Equity Shares after discovery of the Anchor Investor Price, including any revisions thereof.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted.
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate Bids under this Issue by the ASBA Bidders with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in .
Cut-off Price	Any price within the Price Band finalised by us in consultation with the BRLM. A Bid submitted at the Cut-off Price by a Retail Individual Bidder who has Bid for Class I Equity Shares for an amount less than or equal to ₹ 2,00,000 is a valid Bid at all price levels within the Price Band.
Depositories	NSDL and CDSL
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account and the amount blocked by the SCSBs are transferred from the bank account of the ASBA Investors to the Public Issue Account, as the case may be, after the Prospectus is filed with the Registrar of Companies following which the Board of Directors shall allot Class I Equity Shares to the successful Bidders.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form from the ASBA Bidders and a list of which is available on

Term	Description
	http://www.sebi.gov.in .
Designated Stock Exchange	[•]
Draft Red Herring Prospectus / DRHP	This Draft Red Herring Prospectus dated July 12, 2011 and issued in accordance with Section 60B of the Companies Act and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 which does not have complete particulars on the price at which the Class I Equity Shares are offered and size of the Issue, which is filed with SEBI and Stock Exchanges. It will become a Red Herring Prospectus issued in accordance with the provisions of Section 60B of the Companies Act after filing with the RoC at least three days before the Bid / Issue Opening Date. It will become a Prospectus after filing with the RoC after the Pricing Date.
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Class I Equity Shares Allotted herein.
Escrow Account (s)	Account opened with Escrow Collection Bank(s) and in whose favour the Bidder (excluding ASBA Bidders) will issue cheques or drafts or electronic transfer in respect of the Bid Amount.
Escrow Agreement	Agreement to be entered into amongst our Company, the Registrar to the Issue, the Escrow Collection Bank(s), the Refund Bank(s) and the BRLM in relation to the collection of the Bid Amounts and dispatch of the refunds (if any) of the amounts collected, to the Bidders (except ASBA Investor).
Escrow Collection Bank(s)	The banks, which are clearing members and registered with SEBI as Bankers to the Issue at which the Escrow Account will be opened in this Issue being [•].
First Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or Revision Form or ASBA Bid cum Application Form or ASBA Revision Form.
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalised and below which no Bids will be accepted.
IPO Grading Agency	ICRA Limited, the grading agency appointed by our Company for grading the Issue
Issue/Issue Size	Public issue of [•] Class I Equity Shares of face value of ₹ 10/- each for cash at a price of ₹ [•] per Class I Equity Share aggregating to ₹ 10,500 Lakhs.
Issue Agreement	The agreement entered into on July 04, 2011 between our Company and the BRLM.
Issue Price	The final price at which Class I Equity Shares will be issued and Allotted in terms of the Red Herring Prospectus, as determined by our Company in consultation with the BRLM, on the Pricing Date.
Issue Proceeds	Gross proceeds of the Issue that will be available to our Company being upto ₹ 10,500 Lakhs
Mutual Fund Portion	That portion of the Issue, being 5% of the QIB Portion or [•] Class I Equity Shares available for allocation on a proportionate basis to Mutual Funds only, out of the QIB Portion.
Mutual Funds	Mutual Funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Net Proceeds	Issue proceeds, after deducting the underwriting and issue management fees, selling commissions and other expenses associated with the Issue.
Net QIB Portion	QIB Portion excluding the Anchor Investor Portion.
Non-Institutional Bidders	All Bidders (including sub – accounts which are foreign corporates or foreign individuals) that are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for Class I Equity Shares for an amount more than ₹ 2,00,000.
Non-Institutional	The portion of the Net Issue being not less than 15% of the Net Issue i.e. [•]

Term	Description
Portion	Class I Equity Shares of ₹10 each available for allocation to Non Institutional Bidders on a proportionate basis, subject to receipt of valid Bids at or above the Issue Price.
NR / Non-Resident	A “person resident outside India”, as defined under FEMA including eligible NRIs and FIIs.
NRI/ Non-Resident Indian	A “person resident outside India”, as defined under FEMA and who is a citizen of India or is a person of Indian origin (as defined under the Foreign Exchange Management (Deposit) Regulations, 2000), as amended.
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas 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 had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in this Issue.
Pay-in-Date	With respect to Anchor Investors, shall be a date not later than two days after the Bid/Issue Closing Date.
Pay-in-Period	Means: With respect to Anchor Investors, commencing on the Anchor Investor Bidding Date and extending till the last date specified in the CAN, which shall not be later than two days after the Bid/Issue Closing Date.
Payment through electronic transfer of funds	Payment through ECS / NECS, Direct Credit, RTGS or NEFT, as applicable
Person / Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	The price band with a minimum prices of ₹ [●] (Floor Price) and the maximum price (Cap Price) of ₹ [●] and includes revisions thereof. The Price Band and the minimum bid lot size for the Issue will be decided by the Company in consultation with the BRLM and advertised, two Working Days prior to the Bid / Issue Opening Date, in one English national newspaper, one Hindi national newspaper and a regional language newspaper with wide circulation, at least two Working Days prior to Bid / Issue Opening Date.
Pricing Date	The date on which our Company in consultation with the BRLM finalises the Issue Price.
Prospectus	The prospectus, to be filed with the RoC in accordance with the Sections 56, 60 and 60B of the Companies Act and SEBI Regulations, containing, inter alia, the Issue Price that is determined at the end of the Book Building Process on the pricing date, the size of the Issue and certain other information.
Public Issue Account	Account opened with the Banker(s) to the Issue to receive monies from the Escrow Account for the Issue on the Designated Date.
QIB Margin Amount	An amount representing at least 100% of the Bid Amount which QIBs (other than Anchor Investors) are required to pay at the time of submission of Bid.
QIB Portion	The portion of this Issue being upto 50% of the Net Issue, i.e. [●] Class I Equity Shares of Rs 10 each available for allocation on proportionate basis to QIBs of which 5% shall be available for allocation on proportionate basis to Mutual Funds registered with SEBI, subject to valid bids being received at or above the Issue Price.
Qualified Institutional Buyers or QIBs	A mutual fund, venture capital fund and foreign venture capital investor registered with SEBI; a foreign institutional investor and sub-account (other than a sub-account which is foreign corporate or foreign individual), registered with SEBI; a public financial institution as defined in Section 4A

Term	Description
	of the Companies Act, 1956; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority (IRDA); provident funds with minimum corpus of ₹ 2500 Lakhs; and pension funds with minimum corpus of ₹ 2500 Lakhs; National Investment Fund set up by resolution no. F. No. 2/3/2005- DDII dated November 23, 2005 of the Government of India published in the Gazette of India and Insurance funds set up and managed by army, navy or air force of the Union of India and Insurance Funds set up and managed by the Department of Posts in India are eligible to Bid in the Issue.
Refund Account (s)	The no-lien account maintained by the Refund Bank(s) to which the surplus money shall be transferred on the Designated Date and from which refunds of the whole or part of the Bid Amount (excluding the ASBA Bidders), if any, shall be made.
Refund Bank	The bank(s) which have been appointed / designated for the purpose of refunding the amount to investors either through the electronic mode as prescribed by SEBI and / or physical mode in accordance with the procedure contained in the Chapter titled "Issue Procedure" beginning on page 246 of this Draft Red Herring Prospectus.
Refund Banker (s)	[•]
Registrar /Registrar to the Issue	Registrar to the Issue, in this case being Bigshare Services Private Limited
Retail Individual Bidders	Individual Bidders (including HUFs, minors) who have Bid for Class I Equity Shares for an amount less than or equal to ₹ 2,00,000/- in any of the bidding options in the Issue (including HUF applying through their Karta or minor applying through their natural guardian and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	Consists of [•] Class I Equity Shares, aggregating to ₹ [•] Lakhs, being not less than 35% of the Issue Size, available for Allocation to Retail Individual Bidder(s) on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
Revision Form	The form used by the Bidders to modify the number of Class I Equity Shares or the Bid Price in any of their Bid-cum-Application Forms or any previous Revision Form(s).
RHP or Red Herring Prospectus	The Red Herring Prospectus dated [•] to be issued in accordance with Section 60B of the Companies Act, which does not have complete particulars on the price at which the Class I Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three (3) days before the Bid/Issue Opening Date and will become a Prospectus upon filing with the RoC the copy that includes the details of pricing and Allocation and final size of this Issue.
Self Certified Syndicate Banks (SCSBs)	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994 and which offers the service of making an Applications Supported by Blocked Amount and recognized as such by the SEBI from time to time.
SCSB Agreement	The deemed agreement between the SCSBs, the BRLM, the Registrar to the Issue, our Company, in relation to the collection of Bids from the ASBA Bidders and payment of funds by the SCSBs to the ASBA Public Issue Account
Stock Exchanges	BSE and NSE.
Syndicate / Members of the Syndicate	The BRLM and the Syndicate Members.
Syndicate Agreement	The agreement to be entered into among our Company and the members of the Syndicate, in relation to the collection of Bids in the Issue.
Syndicate Members	Intermediaries registered with SEBI and eligible to act as underwriters in this case being [•].
TRS or Transaction	The slip or document issued by the Syndicate Members to the Bidders and by

Term	Description
Registration Slip	SCSBs to ASBA Investors as proof of registration of the Bid.
U.S. GAAP	Generally accepted accounting principles in the United States of America.
Underwriters	The BRLM and the Syndicate Members
Underwriting Agreement	The Agreement to be entered into among our Company and the Underwriters on or after the Pricing Date.
Working Day(s)/Business Day(s)	Any day (other than a Saturday or a Sunday and a public holiday) on which the SEBI, the Stock Exchanges or the commercial banks in Delhi and / or Mumbai, India, are open for business.

Industry Related Terms

Term	Description
GDP	Gross Domestic Product
APEDA	Agricultural and Processed Food Products Export Development Authority
IIP	Index of Industrial Production
GW	Giga Watt
CAGR	Compounded Annual Growth Rate
CEA	Central Electricity Authority
MW	Mega Watt
GoI	Government of India
USA	United States of America
MNRE	Ministry of New and Renewable Energy
IBEF	India Brand Equity Foundation
GWEC	Global Wind Energy Foundation
TWh	TeraWatt Hour
CREIA	Chinese Renewable Energy Industry Association
IEA	International Energy Agency
C-WET	Centre for Wind Energy Technology
IWTMA	Indian Wind Turbine Manufacturers Association
WISE	World Institute for Sustainable Energy, India
PV	Photovoltaics
SIPS	Special Investment Promotion Scheme
JNNSM	Jawaharlal Nehru National Solar Mission
CERC	Central Electricity Regulatory Commission
PPA	Power Purchase Agreement
NTPC	National Thermal Power Corporation
USDA	United States Department of Agriculture
IFOAM	International Federation of Organic Agriculture Movements
PLF	Plant Load Factor

Abbreviations

Term	Description
A.Y./ AY	Assessment Year
A/c	Account
AGM	Annual General Meeting of our Company
AS	Accounting Standards
BSE	Bombay Stock Exchange Limited
CBDT	Central Board of Direct Taxes
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CLB	Company Law Board
DTA	Deferred Tax Asset

DTL	Deferred Tax Liability
DP	Depository Participant
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
ESI	Employee State Insurance
ESOS/ESPS	Employee Stock Option Scheme / Employee Stock Purchase Scheme
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the rules and regulations issued there under.
FI	Financial Institution
FIIIs	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI as required under FEMA (Transfer or Issue of Security by a person resident outside India) Regulations, 2000 and other applicable laws in India.
FIPB	Foreign Investment Promotion Board, Ministry of Finance, Government of India
FVCI	Foreign Venture Capital Investor registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GIR Number	General Index Register Number
IT	Information Technology
I.T. Act	The Income Tax Act, 1961
ITAT	Income Tax Appellate Tribunal
IPO	Initial Public Offer
MAT	Minimum Alternate Tax
MF	Mutual Fund
Mn.	Million
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NRI	Non Resident Indian
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
PAT	Profit After Tax
PBDIT	Profit Before Depreciation, Interest and Tax
PBIT	Profit Before Interest and Tax
PBT	Profit Before Tax
PE Ratio	Price Earning Ratio
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
₹	Indian Rupees
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India
SIA	Secretariat for Industry Assistance
TAN	Tax Deduction Account Number
TIN	Tax Identification Number
TRS	Transaction Receipt Slip
USD/US\$	United States Dollar
VAT	Value Added Tax
WDV	Written Down Value
w.e.f.	With effect from

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

In this Draft Red Herring Prospectus, unless otherwise specified or the context otherwise indicates or implies the terms all references to “we”, “us”, “our”, “Company”, “our Company” are to Ind Eco Ventures Limited and all references to “our Group” are to our Company. All references to “India” are to the Republic of India and all references to the “Government” are to the Government of India.

Financial Data

Unless indicated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our audited restated financial statements for the years ended March 31, 2007, 2008, 2009, 2010 and 2011, prepared in accordance with Indian GAAP and the Companies Act and adjusted in accordance with the SEBI Regulations, as stated in the report of our Auditors, included in "*Financial Statements*" on page 165 of this Draft Red Herring Prospectus.

Our Company's fiscal year commences on April 1 and ends on March 31 of the next year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year. In this Draft Red Herring Prospectus, any discrepancy in any table between the total and the sums of the amounts listed are due to rounding off.

Market and Industry Data

Market and industry data used throughout this Draft Red Herring Prospectus has been obtained from various government, multilateral and industry publications. These publications generally state that the information contained therein has been obtained from sources believed to be reliable, but it has not been independently verified by us and its accuracy and completeness is not guaranteed and its reliability cannot be assured. Although, we believe market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us. The data used from these sources may have been reclassified by us for purposes of presentation. Data from various market sources may not be comparable. The extent to which the market and industry data is presented in this Draft Red Herring Prospectus is meaningful depends upon 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 market and industry sources.

Currency of Presentation

All references to "Rupees" or "Rs." or "₹" are to Indian Rupees, the official currency of the Republic of India. Throughout this Draft Red Herring Prospectus, all the figures have been expressed in Lakhs of Rupees, except when stated otherwise.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward looking statements”. These forward looking statements can generally be identified by words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause our actual results to differ materially from those contemplated by the relevant forward looking statement.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- inter-alia 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 which have an impact on our business activities or investments;
- the monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices;
- the performance of the financial markets in India and globally;
- changes in domestic and foreign laws, regulations and taxes, changes in laws;
- regulations in the wind and solar energy industry, including tax laws;
- potential mergers, acquisitions restructurings and increased competition;
- variation in the electricity demand and supply situations;
- geographical changes in the wind directions and wind density;
- any adverse outcome in the legal proceedings in which we are involved;
- our ability to meet our capital expenditure requirements and/or increase in capital expenditure;
- delay in constructions of our projects;
- delay in finding suitable sites for the operation of our projects;
- our ability to attract and retain qualified personnel;
- lack of adequate insurance to cover hazards of our business;
- occurrence of natural disasters or calamities affecting the areas in which we have operations.

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*” on pages 12, 97 and 196, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor the BRLM, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

SECTION II – RISK FACTORS

RISK FACTORS

An investment in the Class I Equity Shares involves a high degree of risk. Prospective investors should carefully consider the risk factors set out below as well as the other information contained in this Draft Red Herring Prospectus before making a decision whether to invest in our Class I Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with the Chapter titled “Our Business” beginning on page 97 of this Draft Red Herring Prospectus and Chapter titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 196 of this Draft Red Herring Prospectus as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in the Chapter titled “Financial Statements” on page 165 of this Draft Red Herring Prospectus. Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Indian GAAP.

Any of the following risks as well as other risks and uncertainties discussed in this Draft Red Herring Prospectus could have a material adverse impact on our business, financial condition and results of our operation and could cause the trading price of our Class I Equity Shares to decline which could result in the loss of all or part of your investment.

This Draft Red Herring 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 this Draft Red Herring Prospectus.

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

RISKS RELATING TO OUR OVERALL BUSINESS

1. *There are certain outstanding legal proceedings involving us.*

Our Promoters, Group Companies are involved in certain legal proceedings including taxation disputes and litigation against our Executive Director Mr. V. Kannappan. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate authorities or other judicial authorities and if determined against us could have an adverse impact on our business including method of conducting business, financial condition and results of operations. No assurances can be given as to whether these legal proceedings will be decided in favour of our Promoters, Group Companies or have no adverse outcome, nor can any assurance be given that no further liability will arise out of these claims. Any adverse decision may have a significant effect on our business and reputation, financial condition and results of operations. Should any new development arise, such as a change in Indian law, regulations or orders against the parties by appellate courts or tribunals, our Group Companies and/or our Promoters may need to make additional provisions in its financial statements that could increase expenses and current liabilities. For details please refer to Chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 207 of this Draft Red Herring Prospectus.

Sl. No.	Nature of Cases	Parties Involved	Forum	Amount (₹ in Lakhs)
1.	Income Tax	Deputy Commissioner of Income Tax and Indus and Indus Finance Corporation Limited	High Court of Madras	102.44
2.	Income Tax	Commissioner of Income Tax and Indus Finance Corporation Limited	High Court of Madras	178

Sl. No.	Nature of Cases	Parties Involved	Forum	Amount (₹ in Lakhs)
3.	Income Tax	Commissioner of Income Tax and Indus Finance Corporation Limited	Commissioner – Appeals	Not quantifiable
4.	Income Tax	Commissioner of Income Tax and Indus Finance Corporation Limited	Income Tax Appellate Tribunal	Not quantifiable
5.	Civil	Indus Finance Corporation Limited and Classic Oil Limited	High Court of Bombay	901.82 + interest
6.	Civil	Indus Finance Corporation Limited and Shri Parvez Damania	High Court of Bombay	79.67
7.	Civil	Indus Finance Corporation Limited and Solar Farmachem Limited	High Court of Bombay	36.58
8.	Civil	Indus Finance Corporation Limited and Solar Farmachem Limited	High Court of Bombay	68.95
9.	Civil	Indus Finance Corporation Limited and Duckfin International Limited	High Court of Bombay	100.48 + interest
10.	Civil	Indus Finance Corporation Limited and Salstar Foods and & Beverages Limited	High Court of Bombay	Not quantifiable
11.	Civil	Orissa Concrete and Allied Industries Limited and Agritech Hatcheries and& Foods Limited	High Court of Bombay	Not quantifiable
12.	Civil	Indus Finance Corporation Limited and Wescare India Limited	High Court of Madras	25
13.	Civil	Indus Finance Corporation Limited and Indowind Energy Limited	Company Law Board	Not quantifiable
14.	Civil	Indus Finance Corporation Limited and ICICI Bank Limited	High Court of Madras	Not quantifiable
15.	Arbitration	Wescare (India) Limited, Indus Finance Corporation Limited and Indowind Energy Limited	High Court of Madras	9819
16.	Income Tax	Indowind Energy Limited and Commissioner Tax	Commissioner of Income Tax Appeals	26.55
17.	Income Tax	Indowind Energy Limited and Assistant Commissioner of Income Tax	Income Tax Appellate Tribunal	181.79
18.	Income Tax	Indowind Energy Limited and Assistant Commissioner of Income Tax	Commissioner of Income Tax- Appeals	55.63
19.	Show Cause Notice under service tax	Indowind Energy Limited	Commissioner of Service Tax	80.71
20.	Show Cause Notice under service tax	Indowind Energy Limited	Directorate General of Central Excise Intelligence	58.99
21.	Civil	ICICI Bank Limited and Indowind Energy	Company Law Board	Not

Sl. No.	Nature of Cases	Parties Involved	Forum	Amount (₹ in Lakhs)
		Limited		quantifiable
22.	Civil	K.M. Santhanam and Indowind Energy Limited	Subordinate Court, Vallioor	Not quantifiable
23.	Civil	Thomas Muthoot, Thomas John Muthoot and Indowind Energy Limited	Court of the Principal District Munsiff, Nagercoil	Not quantifiable
24.	Civil	ICICI Bank Limited and Indowind Energy Limited	Debts Recovery Tribunal, Chennai	2202.49
25.	Civil	Wescare India Limited and Securities and Exchange Board of India	High Court of Madras	Not quantifiable
26.	Civil	Kothari Industrial Corporation Limited, Indowind Energy Limited and Indus Finance Corporation Limited	Small Causes Court, Chennai	Not quantifiable
27.	Civil	ICICI Bank Limited and Indowind Energy Limited	Securities and Exchange Board of India, Mumbai	Not quantifiable
28.	Civil	Indowind Energy Limited, Milton Plastics Limited and Soprano Holdings Company Private Limited	High Court of Bombay	714.54 + interest
29.	Civil	Indowind Energy Limited and Cicon Environment Technologies Limited	Metropolitan Magistrate's Court, Bandra	100
30.	Civil	Indowind Energy Limited And Dena Bank, Bhopal	Banking Ombudsman, Bhopal	100 + interest
31.	Civil	Indowind Energy Limited, Chennai Vestas R.R.B. India Limited and Tamil Nadu Electricity Board	District Munsif Court, Thensaki	Not quantifiable
32.	Civil	Indowind Energy Limited, Wipro Finance Private Limited and K.M. Santhanam	Court of the Subordinate Judge, Vellior	Not quantifiable
33.	Civil	Indowind Energy Limited, Wescare India Limited, Wipro Finance Private Limited and K.M. Santhanam	Court of the Principal Munsif, Vallioor	Not quantifiable
34.	Civil	K.M. Santhanam and V.R. Regunathan	Court of the District Judge, Tiruneiveli	Not quantifiable
35.	Civil	Indowind Energy Limited and ICICI Bank Limited	High Court of Madras	Not quantifiable
36.	Civil	Indowind Energy Limited and Suzlon Energy Limited	High Court of Madras	Not quantifiable
37.	Special Leave Petition	Indowind Energy Limited and K.M. Santhanam	Supreme Court of India	Not quantifiable

Sl. No.	Nature of Cases	Parties Involved	Forum	Amount (₹ in Lakhs)
38.	Civil	Indowind Energy Limited and Wipro Finance Private Limited	High Court of Madras	403.87 + interest
39.	Income Tax	Indonet Global Limited and Assistant Commissioner of Income Tax	Commissioner of Income Tax - Appeals	1
40.	Civil	Bekae Properties Private Limited and Kothari Industrial Corporation Limited	High Court of Madras	2,508.19 + interest
41.	Civil	B.S. Kothari, P.D. Kothari, Kothari Industrial Corporation Limited and Bekae Properties Private Limited	High Court of Madras	Not quantifiable
42.	Show Cause Notice under the LLP Act	Indowind Chitradurga Project 1 LLP	Registrar of Companies, Chennai	Not quantifiable

2. *The Company does not have any office in its own name and is operating out of Group Company's premises without any formal agreement.*

Our Company does not have any office of its own and has been operating out of the premises of one of its Group Companies viz. Bekae Properties Private Limited (“**Bekae Properties**”). This Premises is situated at 4th Floor, Kothari Buildings, 114 Nungambakkam High Road, Chennai – 600 034, Tamil Nadu, (the “**Premises**”) and belongs to Kothari Industrial Corporation Limited. The said Premises has been mortgaged to Bekae Properties as a secured lender. As a first charge holder of the Premises, Bekae Properties is permitted to use the Premises either for itself or permit its associates to use the same. Our Company being an associate of the Bekae Properties is occupying the Premises without any formal agreement been entered between our Company and Bekae Properties. Further, no rent is being paid by our Company to Bekae Properties for the usage of the Premises. In the event Bekae Properties loses the right to use the Premises or Bekae Properties decides to sell or lease the Premises to other parties, our Company will have to vacate the Premises and move to alternate premises which may not be available or which may be available at a substantially higher cost outlay which may affect our profitability.

3. *Our Company, our Corporate Promoter, Limited Liability Partnership Firm and some of our our Group Companies operate from a common Registered Office, which could give rise to future conflicts.*

As on the date of this Draft Red Herring Prospectus, our Company, our Corporate Promoter, Loyal Credit & Investments Limited and our some of our Group Companies namely, Subuthi Investments Private Limited, Indonet Global Limited, Indus Nutri Foods Private Limited, Indowind Energy Limited, Indwind Power Private Limited, Soura Capital Private Limited and Indus Finance Corporation Limited operate from a common Registered Office, located at, 4th Floor, Kothari Building, 114 Nungambakkam High Road, Chennai – 600 034, Tamil Nadu, India. There is no inter-se agreement between these companies with regard to sharing of expenses or bifurcation of office space, which could give rise to future conflicts.

4. *Our Company has entered into certain business transactions with related parties.*

Our Company has entered into certain business transactions with related parties. These transactions and any such future transactions may involve a potential conflict of interest. For more information on related party transactions, please refer to section “*Related Party Transactions*” in the Chapter titled “*Financial Statements*” beginning on page 165 of this Draft Red Herring Prospectus.

While our Company believes that all our related party transactions have been conducted on an arm’s length basis, our Company cannot assure you that it could not have achieved more favourable terms

had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our Company's business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise.

5. *Our Company had a negative Operating, Investing and Financing cash flow during the financial years ended 2007 to 2011.*

As per our Restated Financial Statements, our cash flows for the last five years are as follows:

Particulars	Year Ended March 31, 2007	Year Ended March 31, 2008	Year Ended March 31, 2009	Year Ended March 31, 2010	Year Ended March 31, 2011
Net cash from /(used in) Operating Activities	(0.12)	(14.78)	*	(955.54)	*
Net cash from /(used in) Investing Activities	*	*	(1,872.06)	*	(1,395.00)
Net cash from /(used in) Financing Activities	*	*	*	(61.59)	*

** indicates positive cash flows*

Any negative cash flow in the future could affect our operations and financial conditions. For further details, please refer to the Chapter titled "Financial Statements" and Management's Discussion and Analysis of Financial Condition and Results of Operations beginning on page 165 and 196 of this Draft Red Herring Prospectus.

6. *Certain of our Group Companies are engaged in business activities similar to ours, which could lead to possible conflicts of interests and could adversely affect our business, results of operations and financial condition.*

Our Group Companies, viz. Indowind Energy Limited, Indus Finance Corporation Limited, Bewind Power Private Limited, Indus Nutri Foods Private Limited and Indowind Power Private Limited are involved in businesses that are similar to our business or could offer services that are related to our business, which could lead to potential conflicts of interest. The Memorandum of Association of each of these entities entitles each of them to undertake and carry out businesses that are similar or related to our business. Further, our Company has not entered into non compete agreements with any of these Group Companies. There can be no assurance that these companies will not provide comparable services, expand their presence or acquire interests in competing ventures in the locations in which we operate. Except for Indowind Energy Limited and Indowind Power Private Limited none of the other abovementioned Group Companies are currently carrying on any business in conflict with our Company. There is no assurance that a conflict of interest may not occur between our business and the business of these companies in the future, or that we will be able to suitably resolve such a conflict without an adverse effect on our business or operations.

7. *The loss of the services of our Chairman, or of our key senior management personnel, could adversely affect our business.*

Our Company's success depends in part on the continued services of our Chairman and other key members of senior management. If we lose the services of our Chairman or any of our key senior management personnel, it would be very difficult to find and integrate replacement personnel in a timely manner and this could significantly impair our Company's ability to develop and implement its business strategies. This could have a material adverse effect on our Company's business, financial condition and results of operations.

8. *We may encounter difficulties and delays when commissioning new projects.*

We face risks relating to the commissioning of our Solar PV Projects including delays to construction timetables, failure to complete the projects within our estimated budget, failure of our contractors and suppliers to adhere to our specifications and timelines, and changes in the general economic and financial conditions in India. We may also encounter various setbacks such as adverse weather conditions, difficulties in connecting to grids, construction defects and delivery failures by suppliers,

unexpected delays in obtaining permits and authorizations, or legal actions brought by third parties. We rely on EPC Contractor to produce and supply our Solar PV Panels, invertors and other key solar equipments. We typically rely on third party contractors to transport, install, inspect and commissioning of our Solar Plants under their supervision and assistance. Any setbacks, delays in the completion of a project and other unforeseen construction costs or budget overruns, which could have a material adverse effect on our business, financial condition or results of operations. In addition, we cannot assure you that our committed and development projects will be completed in the anticipated timeframe or at all, or that projections or estimates relating to our committed and development projects will correspond with our future installed capacity and, accordingly, our actual installed capacity in the future could differ from our own or third-party current expectations.

9. *The profitability of our renewable energy power plants depends in part on our ability to sell CERs or participate in renewable energy trading schemes. Any change or expiration in CDM arrangements could also limit our revenue from the sale of CERs from currently registered CDM projects and potentially have a material impact on our financial performance.*

We may recognize income from other renewable energy trading schemes if and when implemented, which income strengthens the profitability of our renewable power projects. Our ability to sell CERs depends on the CDM arrangements under the Kyoto Protocol. Pursuant to the Kyoto Protocol, public or private entities can purchase the CERs we generate from our CDM projects and use these CERs to comply with their domestic emission reduction targets or sell them in the open market. If the Kyoto Protocol is not renewed before its expiration on December 31, 2012 or if the Indian government discontinues its support for these CDM arrangements, it could have a material adverse effect on our income from sales of CERs.

In addition, since the process to register projects eligible for renewable energy certificate schemes can be relatively complicated and time-consuming, the timing and outcome of our registration applications are uncertain. There is no assurance that there will not be delays in the recognition of revenue generated from renewable energy certificate schemes in the future, for instance in the event of a change in accounting standards. Further, we cannot assure you that the CDM Executive Board or other relevant governing bodies will approve all of our applications for registration in a timely manner, or at all. Should there be any material changes to the verification standards in the registration progress or other changes to the renewable energy certificate eligibility criteria, we may be unable to register our renewable energy projects under renewable energy certificate schemes in the future, which in turn could have a material adverse effect on our income from the sales of CERs or other renewable energy certificates, our financial condition or results of operations.

10. *We may not be successful in implementing our business strategies effectively or at all.*

The success of our business will depend greatly on our ability to implement our business strategies effectively. See “Our Business – Our Strategy”. Implementation of our business strategies has placed and is expected to continue to place, significant demands on our management, capital, administrative and human resources. We plan to strengthen our position in the Indian renewable sector by completing our renewable energy projects under development, increasing our gross installed capacity of renewable energy projects and maximizing our operational efficiency. However, our ability to execute our business strategy successfully depends on a variety of factors, including our ability to develop and expand our existing portfolio of projects (including obtaining the necessary financing), to integrate acquired assets effectively and efficiently, to operate our existing and future assets successfully, to contract timely and cost effectively for setting new Solar Plants and the ability of our suppliers and contractors to supply and install capital equipment and construct our power plants on schedule. Our ability to execute our business strategy is also subject to a variety of additional risks, including those set forth in this section. Besides, in the event we are unable to execute our business strategy fully or successfully, our development might be hindered. In addition, we have to address the risks frequently encountered by companies that experience significant growth in a short period of time, including our ability to effectively manage multiple decentralized projects, to maintain adequate control over our expenses and to obtain sufficient financing on favorable terms. As such, we cannot assure you that we will be able to execute our strategy successfully or fully within the expected timetable or at all, or that we will be able to manage our growth effectively, and our failure to do so could have a material adverse effect on our business, prospects, financial condition or results of operations.

11. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures, restrictive covenants in our financing arrangements and our debt repayment schedule.*

Our business is capital intensive and we may plan to make additional capital expenditures to complete the power projects that we are developing. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures, restrictive covenants in our financing arrangements and our debt repayment schedule. Our ability to pay dividends is also restricted under certain financing arrangements that we have entered into and expect to enter into. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements for the power projects, financial condition and results of operations.

12. *The Company's operations are subject to extensive governmental regulations which have in the past and could in the future cause it to incur significant costs or liabilities or interrupt or close our operations, any of which events may adversely affect its results of operations.*

Our business, financial condition, results of operations and prospects may be materially and adversely affected by any of a number of significant legal and regulatory matters to which we are subject. The costs, liabilities and requirements associated with complying with existing and future laws and regulations may be substantial and time-consuming and may delay the commencement or continuation of our projects. New legislations or regulations may be adopted in the future that may materially and adversely affect the Company's operations, cost structure or customers' ability to use its products. New legislations or regulations, or different or more stringent interpretation or enforcement of existing laws and regulations, may also require the Company to change operations significantly or incur increased costs, which could have a material adverse effect on our results of operations or financial condition.

Further, the operation of wind farms is subject to regulation by various government agencies at the national, state (or provincial) and municipal level. Tax incentives exist in the jurisdictions in which our Company operates. These laws and tax regimes may change and no longer be favourable to our Company, which may affect our profitability. Changes in governmental policies and laws, including laws and regulations relating to income, capital, corporate or local taxes and the removal of tax incentives related to the Company's industry could harm its energy production business and our results of operations. Currently, there are laws which are favourable to wind-energy producers. However, our Company cannot assure you that such favourable status will continue. If such favourable laws do not remain in place, our Company's wind business may be harmed and its results of operations and financial condition may be adversely affected.

13. *The Company's growth projects require substantial capital expenditures and it may be unable to adequately fund such expansion plans or complete the relevant projects on schedule and within budget.*

Our Company has certain planned growth projects that require significant capital expenditures, including the expansion of processing capacity. See the Chapter titled "Our Business" beginning on page 97 of this Draft Red Herring prospectus. Our Company's growth projects (which are by their nature, discretionary) may require greater investment than currently expected and while the Directors believe that the working capital available to us is sufficient for our present requirements, in the future we may be unable to satisfactorily fund these investments from our operations or external financing sources. Under these circumstances, our Company may not be able to fulfil these growth projects without reducing our investment in ongoing operations. If our Company were to incur significant indebtedness to fund future capital investments, it may have to dedicate a substantial portion of its cash flow to service the debt and the terms of any financing may restrict our Company's ability to pay dividends. If our Company was to issue additional equity shares to fund planned capital expenditures, all other shareholdings may be diluted. Our Company may fail to complete the projects on time, which could cause cost overruns. There can be no assurance that our Company's expected operational improvements will be fully realised as currently envisaged. Any delay, interruption or cost overruns in implementing planned capital investments could have a material adverse effect on our business, financial condition, results of operations and prospects.

14. ***Our Company did not comply with Section 383(A) of the Companies Act regarding the appointment of whole time company secretary for the FY 2009 and FY 2010. Such non compliances may result into penalties or other action on our Company by the statutory authorities.***

As per section 383(A) of the Act, all companies with a paid up capital of more than ₹ 500 Lakhs should have a full time company secretary. The paid up share capital of our Company exceeded 500 Lakhs in April 2008 pursuant to which our Company was required to comply with Section 383(A) of the Companies Act in as much as appointing a whole-time secretary. Our Company did not comply with Section 383(A) of the Companies Act regarding the appointment of wholetime company secretary for the year ended March 31, 2009 and 2010. However, our Company has since appointed Ms. J. Bhuvaneswari on October 22, 2010. The Company vide its application dated June 21, 2011 to the Honorable Company Law Board has sought for condonation and compounding of the above offence for the period April, 2008 to October 22, 2010. The application is pending before Honorable Company Law Board. Such non compliances may result into penalties or other action on our Company by the statutory authorities.

15. ***Our Company did not comply with Section 292(A) of the Companies Act regarding constitution of Audit Committee for the FY 2009 and FY 2010. Such non compliances may result into penalties or other action on our Company by the statutory authorities.***

As per section 292(A) of the Companies Act, all public limited companies with a paid up capital of ₹ 500 Lakhs or more have to constitute an audit committee. The paid up capital of our Company exceeded ₹ 500 Lakhs on June 27, 2008 pursuant to which our Company was required to constitute an audit committee. Our Company did not comply with section 292 (A) of the Companies Act for the financial years 2009 & 2010. However, our Company has constituted an audit committee on November 12, 2010. Our Company is in the process of making an application under section 621 (A) of the Companies Act to the Honorable Company Law Board for condonation and compounding of the above offence for the financial years 2009 & 2010.

Such non compliances may result into penalties or other action on our Company by the statutory authorities.

16. ***Our Company has sold wind power to few customers for sale of power generated for FY 2010-11. Our Company is also dependent on few suppliers for purchase of windmills for the year 2010-11. The loss of one or more significant clients or suppliers for any reason may have an adverse effect on our results of operations.***

Based on nature of industry in which our Company operates, no regular supply of raw materials is required for wind power generation. For all types of spares required for Operation & Maintenance, many suppliers are available in the market. Our Company acquires existing wind farms whenever opportunity arises. Our Company has only 11.4 MW capacity and it is able to sell mainly to 3 large customers. Our Company can sell to more number of customers with the addition in capacity.

Breakup of amount of Power sold to customers

Sr. No.	Name of Customers	FY 2011		FY 2010		FY 2009	
		₹ in Lakhs	% to Power Income	₹ in Lakhs	% to Power Income	₹ in Lakhs	% to Power Income
1	TANGEDCO (earlier TNEB)	293.50	76.90	351.82	80.72	122.30	43.09
2	Prince Foundations Ltd.	7.48	1.96	-	-	-	-
3	Others	80.70	21.14	84.02	19.28	161.55	56.91
	Total	381.68	100.00	435.84	100.00	283.85	100.00

17. ***Our Company has certain contingent liabilities that have not been provided for in its accounts, which may adversely affect its financial condition.***

Our Company's contingent liabilities and commitments as on March 31, 2011, were as follows:

(₹ in Lakhs)

Contingent Liabilities	Amount
There is an income tax demand of ₹ 70.05 Lakhs for the assessment year 2008-09 raised on Fullbloom Investments Private Limited the company which amalgamated with our Company w.e.f 1 st April 2008, through the approval of the Hon'ble High Court of Madras.	70.05

Our Company cannot assure you that any or all of these contingent liabilities and commitments will not become direct liabilities. In the event any or all of these contingent liabilities and commitments become direct liabilities, it may have an adverse effect on our business, financial condition and results of operations.

Risk Related to Wind Power Industry:

18. ***Changes in weather patterns may affect our Company's ability to operate our wind farms.***

Our Company operates wind power generation facilities. Changing global environmental and weather conditions may affect the generation from our Company's wind power project. Fluctuations in the level of wind occur on a short term basis (daily, monthly and seasonal variations) and on a long term basis (climate change). In addition, sudden or unexpected changes in environmental and meteorological conditions could reduce the productivity of our Company's wind farms. Climatic weather patterns, whether seasonal or for an extended period of time, that result in lower, inadequate and/or inconsistent wind speed to propel the wind turbines may render our Company's wind farm incapable of generating adequate or any electrical energy. The profitability of our Company's wind farm project is primarily dependent on the wind patterns at these sites. There can be no assurance that wind patterns at a particular site will remain constant. Changes in wind patterns at particular sites that our Company has previously identified as suitable for wind farm projects, and which have been acquired and developed by it, could affect the results of operations of the wind farm project, although any impact on our consolidated results of operations, revenues and profitability would remain limited at this stage.

Risk Related to Solar Power Project:

19. ***We have no experience in building and operating Solar PV Power projects which may adversely affect our results of operation and financial condition.***

Though we and our Promoters have sufficient background and experience in renewable energy industry in form of wind power, we and our Promoters lack adequate experience in the Solar Power industry to address the risks frequently encountered by early stage companies. Though the EPC contractor, PLG Power Limited has guaranteed performance of the solar panels we cannot assure you that there will not be any hiccups in the performance of the solar panels. In the event of hiccups in the performance of the panels or delay in delivery of panels would delay our implementation of our solar project which may result in cost overrun and affect our financial performance.

20. ***Our EPC contractor has assured guaranteed generation of units. However, in the event the guaranteed units are not generated and the EPC contractor fails to honour its commitment our revenues and profitability from the solar project could be affected.***

PLG Power Limited, our EPC contractor has guaranteed 18 Lakhs units per annum per mega watt of electricity that can be generated from the solar panels to be supplied by them. This guarantee is based on the study of irradiation levels in the proposed project site in Gujarat. However the past studies cannot be taken as an assurance for future irradiation levels and if there is adverse change in the

irradiation levels then the guaranteed units may not be generated. In such an event our revenues and profitability from the solar project would be affected.

21. *The status of the land purchased by us for the solar project has to be converted from agricultural purposes to non agricultural purposes before we can start implementing the solar project. In case we are unable to get this conversion or if there is any delay getting this conversion done may result in time and cost overrun. This could affect our financials from our solar project.*

22. *The land in Gujarat as a part of our Company's venture into solar project is not registered.*

We have already purchased 20.12 acres of land in Mouje Nanichandur, Sami Taluka, Patan District Gujarat. The Deeds of Conveyance for the entire land has been executed between our Company and the vendors and the same have been lodged for registration with Sub-Registrar, Sami. However, since the revision in Industrial Jantri Rate for land is not finalized by the Government of Gujarat, the Deeds of Conveyance are still pending for registration with the Sub-Registrar, Sami, Gujarat. Till the registration process is complete our Company will be holding possession of the land with all the attendant risks, including dispossession, without any claim to clean title to the property. In the event of dispossession, our Company would be forced to relocate to new site which may not be easily available or may be available at considerable cost. All these events could adversely affect our business, results of operations and financial conditions.

23. *Our Company has not been allotted the capacity for setting up the 5 MW solar power project in State of Gujarat.*

Our Company as a part of its business strategy is in the process of setting up a 10 MW solar power project in State of Gujarat in two phases of 5 MW each. For this purpose, the Government of Gujarat has registered, our Company's Expression of Interest to set up a 10 MW solar power generation plant, vide a certificate of registration dated January 13, 2011 issued to our Company wherein it has agreed to facilitate our Company to obtain the necessary permissions/registrations/approvals/clearances etc., from the concerned authorities. Our Company is awaiting the Government of Gujarat to initiate the process of capacity allotment to our Company to implement the solar power project. Any delay in receiving the allotment of capacity may result in time and cost overrun which may affect our business, results of operations and financial conditions.

24. *Our Company's revenue projections are dependent on CERC determined tariff under JNNSM Policy or the tariff applicable under the respective state policies as determined by the respective state ERC's and any changes in tariff will affect the company's revenue.*

Since the Solar Projects are highly capital intensive, the normal sales price of power applicable in case of other sources of power generation will not be sufficient in case of Solar Power Projects. Thus to make these projects viable, the Government of India has come up with JNNSM Policy providing for long term PPAs and higher feed-in tariffs. Under these policies, government bodies will act as nodal agency and the power purchase tariffs will be determined by CERC or respective SERC's. So any changes in government policies will affect the company's financials.

Our solar project has been planned based on the Solar Policy, 2009 of Govt. of Gujarat which has assured feed-in tariff of ₹ 15 per unit for the period of first 12 years and ₹ 5 per unit for remaining 13 years during which the solar power would be purchased by Gujarat Government State Utility. However we cannot assure you that there will not be any change in price during the period. In the event there is any change which is less than the price announced in the Solar Policy, 2009 our financials could be adversely affected

25. *In respect of production of power from solar energy, the revenue generating capacity is dependant on the Plant Load Factor ("PLF").*

Solar Power Projects are capital intensive, modular in nature with a potential for reasonable profits. The PLF depends on amount of solar irradiation in a particular location and based on the technology being used to make use of the radiation effectively. The scientific studies used for site selection and micro-siting ensure that the solar plants planned to be installed in locations with optimum solar

conditions suitable for generating maximum power output. The solar PV panels are sourced from reputed and established manufacturers and other items are either imported from, international suppliers or sourced from large Indian Industrial houses. So achieving the PLF projected should not be a constraint. In case the PLF of our project site decreases, our revenues and profitability from the solar project would be affected.

26. The PLF of the Company's solar farms will be affected by matters such as grid failure and unplanned breakdown.

The operational efficiency of any power generating company can be measured in terms of the PLF. PLF is therefore a critical metric in evaluating the potential of a particular project. As long as preventive maintenance is undertaken in a proper and systematic manner, there are no major concerns for unplanned breakdowns. In case of grid failure, the PLF of a project may be affected indirectly since the generation of power from solar farms cannot be stored and during grid outage the power generated cannot be evacuated. This can result in the loss of power fed into the grid.

27. We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and the solar power industry contained in this Draft Red Herring Prospectus.

Facts and other statistics in this Draft Red Herring Prospectus relating to India, the Indian economy and the solar power industry have been derived from various industry publications that we believe to be reliable. However, we cannot guarantee the quality or reliability of such source of materials. While our Directors have taken reasonable care in the reproduction of the information, they have not been prepared or independently verified by us or any of our affiliates or advisers and therefore, we make no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside India. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are sourced or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere.

28. The profitability of our renewable energy power plants and viability of our growth plans depend largely on government policies and the regulatory framework supporting renewable energy development, including the availability and size of government subsidies, tax credits and other economic incentives, which may be reduced or eliminated in the future.

The development and profitability of renewable energy projects in the jurisdictions in which we operate, including our wind farms and solar power plants, are dependent on policies and regulatory framework that support such development such as preferential tariffs. Renewable energy policies are in place in all of the jurisdictions in which we currently operate. Examples of government sponsored financial incentives include capital cost rebates, feed-in tariffs, tax credits, wheeling and banking facilities and other incentives to end-users, distributors, system integrators and manufacturers. Further, the increased emphasis on reducing greenhouse gas emissions and the possibility of trading carbon dioxide emission quotas taking place has led to extra duties being applied to those sources of energy, primarily fossil fuels, which cause carbon dioxide pollution. The imposition of these duties has indirectly supported the expansion of power generated from renewable energy and in turn the wind power industry and solar power industry in general. If this direct and indirect government support for renewable energy were terminated or reduced, this would make producing electricity from wind power and solar power less competitive and reduce demand for new wind mills and solar plants. Governments may decide to reduce or eliminate these economic incentives for political, financial or other reasons. We cannot assure you that any government will not change or eliminate current incentives and favorable policies currently available to us at any time. Any reduction, discontinuation or unfavorable application of the policies and economic incentives for renewable power generation companies like us could reduce demand for power from renewable sources which could have a material adverse effect on our business, financial condition, results of operations or prospects. Furthermore, if these favorable policies and incentives were changed or discontinued to our detriment before our wind farms reach the economies of scale necessary to become cost-effective in a non-subsidized market place, we could be forced to compete directly against producers of electricity from non-renewable energy in the sale of

electricity and the setting of tariffs, which could also have a material adverse effect on our business, financial condition, results of operations or prospects.

29. *We face global competition in allotment of capacity for power generation from solar energy and any failure to compete effectively could adversely affect our project implementation and financials*

The solar power generation is the most demanding with lot of government incentives being brought under JNNSM Policy. We expect to experience competition from numerous companies, domestic and global, in capacity allotment or will participate in the future, which may result in price reductions, reduced margins or loss of market share. Many of our competitors may have a stronger market position than ours and may have larger resources and better name recognition than we have. Further, our competitors may be developing and installing large scale projects with alternative solar power technologies, such as nano technologies, which may ultimately have costs similar to, or lower than, our projected costs. In future, the entire solar power industry faces competition from conventional and non-solar renewable energy technologies. Due to the relatively high projects costs compared to most other energy sources, solar energy is generally not competitive without government subsidies and economic incentives. We may also face competition from other large Indian and international companies, with whom we might not be able to compete successfully. If we fail to compete successfully, our business would suffer and we may lose or be unable to gain market share.

Risks relating to the Issue

30. *The funding requirements of our Company and the deployment of Net Proceeds have not been independently appraised by any bank or financial institution.*

The funding requirements of our Company and the deployment of Net Proceeds have not been appraised by any bank, financial institution or other independent organisation and have been estimated based on the quotation received from the EPC contractor, PLG Power Limited. This may result in the rescheduling of our fund deployment programmes and an increase or decrease in our proposed expenditure for a particular object and our results of operations may be adversely impacted.

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

We have issued Preference Shares in the last 12 months at a price which may be lower than the Issue Price, the details of which are as follows:

Date of Issue	Name of the Persons	No. of Shares	Issue Price (₹)	Whether part of Promoter Group	Reasons for Allotment
August 17, 2010	Prince Foundations Limited	Class II 25,00,000	10	No	(Refer Note below)
June 29, 2011	Indus Capital Private Limited	Class I 9,90,918	10	Yes	Preferential Allotment

32. *We will continue to be controlled by our Promoters after completion of the Issue.*

After the completion of the Issue, our Promoters may control, directly or indirectly, in excess of [●] % of our outstanding Class I Equity Shares. As a result, our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting, and our other shareholders will be unable to affect the outcome of such voting. As a result, our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that our Promoters will act to resolve any conflicts of interest in our favor.

33. Any further issuance of Equity Shares by our Company or sales of the Equity Shares by any of our significant shareholders may adversely affect the trading price of the Equity Shares.

Any future issuance of our Equity Shares by our Company could dilute your shareholding. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares. Upon completion of the Issue, 20% of our post-Issue paid-up capital held by our Promoters will be locked up for a period of three years from the date of allotment of Equity Shares in the Issue. Other than Equity Shares locked in for three years, as discussed above, all other remaining Equity Shares that are outstanding prior to the Issue will be locked up for a period of one year from the date of allotment of Equity Shares in the Issue.

34. 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, volatility in the Indian and global securities markets, the performance of the Indian and global economy and significant developments in India's fiscal regime. 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.

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

We will be subject to a daily "circuit breaker" imposed by stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The maximum movement allowed in the price of the Equity Shares before the circuit breaker is triggered is determined by the Stock Exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges will not inform us of the triggering point of the circuit breaker in effect from time to time, and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

Risks relating to Group Companies

36. Our listed Group Companies, Indowind Energy Limited and Indus Finance Corporation Limited have not complied with various provisions of Listing Agreement and other SEBI Regulations.

Our listed Group Companies, Indowind Energy Limited and Indus Finance Corporation Limited have not complied with various provisions of Listing Agreement and other SEBI Regulations. Details of the same are given below:

Sr. No.	Name of Group Company	Clause/Regulation	Details of Non Compliance	Status as o date of filing of this Draft Red Herring Prospectus
1	Indus Finance Corporation Limited	7(3) of SEBI Takeover Regulations As per regulation 7(3) of SEBI Takeover Regulations, Every company, whose shares are acquired in a manner referred to in 7(1) and	Company has not complied with the regulations and has not filed prescribed forms with the stock exchange.	Company is in process of regularizing the non compliance

		7(1A), shall disclose to all the stock exchanges on which the shares of the said company are listed the aggregate number of shares held by each of such persons referred above within seven days of receipt of information under 7(1) and 7(1A) of SEBI Takeover Regulations.		
		<p>8(3) of SEBI Takeover Regulations</p> <p>As per regulation 8(3) of SEBI Takeover Regulations, every company whose shares are listed on a stock exchange, shall within 30 days from the financial year ending March 31, make yearly disclosures to all the stock exchanges on which the shares of the company are listed, the changes in the shareholding of every person who holds more than 15% of the share capital.</p>	Company has not complied with the regulations and has not filed prescribed forms with the stock exchange.	Company is in process of regularizing the non compliance
		<p>47(a) of Listing Agreement</p> <p>A listed company is required to appoint a whole time company secretary to to act as Compliance Officer who will <i>interalia</i> be responsible for monitoring the share transfer process and report to the Company's Board in each meeting etc.</p>	Company did not appoint a full time company secretary since its paid up capital till FY 11 was less than five crores. However, in FY 12, the paid up capital of the company increased to more than five crores pursuant to a bonus issue.	Company is in the process of appointing a full time company secretary.
		<p>41(1h) of Listing Agreement</p> <p>W.e.f April 01, 2010 all listed companies are required to submit to stock exchanges limited review/audit reports on a quarterly/annual basis which are signed only by an auditor who has subjected himself to the peer review process of Institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by the Peer Review Board of</p>	The company has failed to comply with these requirements for first three quarters and submitted the financial statements which were not certified by peer reviewed auditor.	Company has indentified a peer reviewed auditor and is in process of appointing him.

		the ICAI.		
	Indowind Energy Limited	41(1h) of Listing Agreement W.e.f April 01, 2010 all listed companies are required to submit to stock exchanges limited review/audit reports on a quarterly/annual basis which are signed only by an auditor who has subjected himself to the peer review process of Institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by the Peer Review Board of the ICAI.	The company has failed to comply with these requirements for first three quarters and submitted the financial statements which were not certified by peer reviewed auditor.	The present statutory auditor of the company has obtained peer review certification on June 09, 2011. Hence the annual accounts will be certified by him

37. ***Indowind Chitradurga Project 1, LLP, our Limited Liability Partnership Firm has received notice from Registrar of Companies, Chennai, Tamil Nadu (“ROC”) for non compliance with section 34 and 35 of the Limited Liability Partnership Act, 2008 (“LLP Act”) read with rules 24, 25 and 2(I) of LLP Rules, 2009, (“LLP Rules”), (collectively referred to as LLP Regulations).***

Indowind Chitradurga Project 1, LLP (“Indowind LLP”), our Limited Liability Partnership Firm has received notice dated June 10, 2011 from the ROC for non compliance with LLP Regulations. As per section 34 of the LLP Act, every LLP shall file ‘Statement of Account & Solvency’ within 30 days from the end of 6th month of the financial year. Indowind LLP has not filed the aforesaid statement till date.

Further, as per section 35 of the LLP Act, read together with rules 24, 25 and 2(I) of LLP Rules, every LLP shall file an *Annual Return* within sixty days of closure of its financial year. Indowind LLP has not filed the aforesaid Annual Return till date.

Indowind LLP has *vide* letter dated July 08, 2011 informed the ROC about its intention to wind up the operations since it has neither commenced any business nor has any intention to carrying out any business in future. Indowind LLP is in the process of making application to ROC for winding up of its business.

Such non compliances may result into penalties or other action on our Company by the statutory authorities.

38. ***Promise Vs Performance***

Indowind Energy Limited, one of our listed Group Companies made its maiden public issue of 1,25,00,000 equity shares of ₹ 10 each for cash at price of ₹ 65 per equity share aggregating ₹ 7,956.00 Lakhs in September 2007. Following are the details of Promise versus Performance:

- Funds Raised**

Project	As stated in offer document	Actual Funds utilized
Setting up 9MW Wind Farm Project in Chitradurga, Karnataka	4950.00	* 1,900
Purchase of Hydraulic cranes	650.00	\$ --
Acquisition of second hand WEGs from Banks	2000.00	2,695
Foreclosure of lease with ICIC Bank Limited and Axis Bank Limited (formerly known as UTI Bank Limited)	1826.20	\$ 1,081

Additional Working capital requirements	262.28	@ 1049
Contingencies	65.00	
1.8 MW Wind Project	--	
Issue expenses(actuals)	610	610
Total	10,363.48	# 7,335

The actual issue size as per the offer document was ₹ 10363.48 Lakhs. Since the issue was not completely subscribed, the actual issue proceeds received were only ₹ 7335 Lakhs.

* The estimated cost of Chitradurga project was ₹ 4950 Lakhs but actual cost was ₹ 5360 lac.s The company availed a loan of Rs 3460 Lakhs from IREDA & hence utilized only ₹ 1900 Lakhs for the project..

§ In view of the deficit in funds raised, the acquisition of cranes which was considered a non-core activity by the management was cancelled and settlement of UTI Bank Lease was deferred.

@ The balance amount alongwith the amount earmarked for Working Capital was utilized to complete 1.8 MW project for ₹ 1049 Lakhs.

• **Schedule of Implementation**

Activities	Windfarms at Chitradurga		Hydraulic Cranes		Acquiring windfarms from Banks		Foreclosure of Lease	
	Commencement	Completion	Commencement	Completion	Commencement	Completion	Commencement	Completion
As per the Offer Document								
Acquisition of Land	Completed		---		----		----	
Civil Construction	Sep-07	Nov-07						
Electrical work & utilities	Oct-07	Jan-08						
Placement of orders for machinery	Sep-07	Nov-07	Sep-07	Oct-07	Sep-07	Oct-07	Sep-07	Oct-07
Arrival of machinery	Nov-07	Dec-07	Dec-07	Dec-07	Nov-07	Nov-07	Dec-07	Dec-07
Erection and commissioning of Machinery	Dec-07	Jan-08						
Generation of Energy	Feb-08				Dec-07		Oct-07	

Actuals	Windfarms at Chitradurga	Hydraulic Cranes	Acquiring windfarms from Banks	Foreclosure of Lease
	The Project was completed & commissioned by SUZLON on 31st March 2008 & power generation started from the same day. The delay of 1 month is not significant as the season for wind starts only during month of April	Not Implemented - Due to deficit in funds raised the acquisition of cranes which was considered a non-core activity by the management hence cancelled	Acquisition of wind farms has been completed in phases from November 2007 to October 2008. The reason for the delay is due to negotiation with the banks to obtain their approvals.	Deposited the amount raised towards ICICI Bank Settlement in court on May 2008 due to the dispute

39. *One of the listed Group Companies, Indowind Energy Limited ("Indowind Energy"), issued unsecured Foreign Currency Convertible Bonds (FCCBs) of US\$ 30 million in December 2007. In 2009, Indowind Energy and the Bondholders agreed to restructure the terms of the Bonds by revising the floor price of conversion from ₹167.11 to ₹48. However due to further downward trend in the market price the restructuring process could not be completed. The company has per legal advice has initiated Letter of Election process through trustees, with alternate options involving new floor price and or redemption with extended periods for completing the restructuring process. If the FCCBs are not restructured then the FCCBs will become due for redemption in December 2012. Indowind Energy will then have to pay the bondholders the principal amount on the bonds and the interest accrued thereon.*

External Risk Factors

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

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in recent years. Natural calamities could have a negative impact on the Indian economy and may cause suspension, delays or damage to our current projects and operations, which may adversely affect our business and our results of operations. Terrorist attacks and other acts of violence or war involving India or other countries could adversely affect the financial markets, result in loss of client confidence and adversely affect our business, financial condition and results of operations. 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, the construction business generally and our business. Incidents such as the November 2008 Mumbai terrorist attacks, various agitations by local Indian groups leading to incidents of violence, other incidents such as those in Indonesia, Madrid, London, New York and Washington, D.C. and other acts of violence may adversely affect the Indian Stock Exchanges where our Equity Shares trade as well as global markets generally. Such acts could negatively affect business sentiment as well as trade between countries, which could adversely affect our business and profitability.

Also, South Asia has, from time to time, experienced instances of civil unrest and hostilities among neighbouring countries. Military activity or terrorist attacks could adversely affect the Indian economy by, for example, disrupting communications and making travel more difficult. Such events could also create a perception that investments in Indian companies involve a higher degree of risk. This, in turn, could adversely affect client confidence in India, which could have an adverse impact on the economies of India and other countries, on the markets for our services and on our business. Additionally, such events may have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

41. *The global credit and capital markets have been, and may continue to be, subject to significant disruption.*

The availability of credit to entities, such as us, which operate within emerging markets is significantly influenced by levels of investor confidence in such markets as a whole, and so any factors that affect market confidence could affect the price or availability of funding for entities within any of these markets, including us. These challenging market conditions have resulted in reduced liquidity, greater volatility, widening of credit spreads, lack of price transparency in credit markets, a reduction in available financing and lack of market confidence. It is difficult to predict how long these conditions will continue to exist and the extent to which we could be affected. It is also difficult to evaluate and predict how much the Indian economy has been and will be adversely affected by the current market uncertainties elsewhere. While as of during the year 2010, we have not experienced any difficulty in or tighter credit terms to finance our operations in the current market environment, prolonged disruptions to the credit and capital markets could limit our ability to borrow funds from our current funding sources or cause our continued access to funds to become more expensive or subject to less favorable terms. Furthermore, there can be no assurance that measures implemented by governments around the world to stabilize the credit and capital markets and new financial and economic policies, rules and regulations in the jurisdictions where we operate will improve market confidence and the overall credit environment and economy. As a result, any disruption to the global credit and capital markets may have a material adverse effect on our business, financial condition and results of operations

Prominent Notes to Risk Factors:

1. Investors may contact the BRLM or the Compliance Officer for any complaint/clarification/information pertaining to the issue. For contact details of the BRLM and the Compliance Officer, please refer to Chapter titled “General Information” beginning on page 43 of this Draft Red Herring Prospectus.
2. Pre-Issue Net worth of our Company as on March 31, 2011 is ₹ 2,401.95 Lakhs.
3. Public Issue of [●] Class I Equity Shares of ₹10 each at a Price of ₹ [●] per Class I Equity Share for (including a premium of ₹ [●] per Class I Equity Share) cash aggregating ₹ 10,500 Lakhs (“The Issue”), by Ind Eco Ventures Limited (the “Company” or the “Issuer”). The Issue will constitute [●]% of the fully diluted Post Issue Class I Equity Paid-up capital of our Company.
4. The average cost of acquisition of Class I Equity Shares of our Promoters is given below:

Sr. No	Name of our Promoters	Average cost of acquisition of shares (₹)
1.	Mr. K.V. Bala	6.23/-
2.	Loyal Credit and Investments Limited	6.25/-

For further details relating to the allotment of Class I Equity Shares to our Promoters, Promoter Group and other Entities, please refer to the Chapter titled “Capital Structure” beginning on page 52 of this Draft Red Herring Prospectus.

5. Book value of the Equity Shares of our Company as on March 31, 2011 is ₹ 26.38 per Equity Share.
6. The details of the business interests of our Group Companies are appearing under *Related Party Transactions*, “Annexure 17” under Chapter titled “Financial Statements” beginning on page 165 of this Draft Red Herring Prospectus.
7. Our Company has entered into related party transactions with our Group Companies and other entities. For further details, please refer to Chapter titled “Financial Statements” beginning on page 165 of this Draft Red Herring Prospectus.
8. Our Company was originally incorporated as “Siga Pharma Labs Private Limited” a private limited company under the provisions of the Companies Act, 1956, *vide* certificate of incorporation dated April 23, 1982, issued by the Registrar of Companies, Tamil Nadu (“RoC”). Our Company’s name was changed to Loyal Super Remedies Private Limited *vide* fresh certificate of incorporation dated November 29, 1985. Our Company was converted into a public limited Company *vide* a fresh certificate of incorporation dated March 01, 1986. The name of our Company was further changed to MSKV Remedies Limited *vide* a fresh certificate of incorporation dated January 24, 2002. The name of our Company was further changed to its present name, Ind Eco Ventures Limited *vide* fresh certificate of incorporation dated May 22, 2008. The fresh certificate of incorporation to reflect the new name was issued by the RoC with CIN U24231TN1982PLC009345.
9. No part of the Issue proceeds will be paid as consideration to Promoters, Promoter Company, Directors, Key Managerial Personnel, Associate Companies or Group Companies.
10. There are no contingent liabilities as on March 31, 2011, except as mentioned in “Annexure 18” beginning on page 195 under Chapter titled “Financial Statements” beginning on page 165 of this Draft Red Herring Prospectus.
11. Investors may please note that in the event of over-subscription, allotment shall be made on a proportionate basis in consultation with the Designated Stock Exchange.
12. Our Company and the BRLM shall update this Draft Red Herring Prospectus in accordance with the Companies Act, 1956. All information shall be made available by our Company and the

BRLM 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 shows, presentations, in research or sales reports, at bidding centres etc.

13. Trading in Class I Equity Shares for all investors shall be in dematerialized form only.
14. There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing this Draft Red Herring Prospectus with the Board.
15. There were no transactions in the securities of Company during preceeding six months which were financed directly or indirectly by the Promoters, their relatives, their group companies or associates or by the entities directly or indirectly through other persons.
16. This Issue is being made through a 100% Book Building Process wherein upto 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers. Further, our Company may allocate upto 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis, out of which atleast one-third will be available for allocation to Domestic Mutual Funds only. In the event of under subscription in Anchor Investors Portion, the balance Class I Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remaining of the Net QIB portion shall be available for allocation on a proportionate basis to QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

SECTION III - INTRODUCTION

SUMMARY OF INDUSTRY

OVERVIEW OF THE INDIAN ECONOMY

The average annual growth rate of the economy during 2004 - 05 to 2010-11(advance estimates) is a healthy 8.5 per cent, despite the global economic and financial crisis of 2007-09. The Indian economy is estimated to register robust growth during 2010-11, with growth in Gross Domestic Product (GDP), at factor cost, at constant 2004-05 prices, touching 8.6 per cent. This follows a revised growth of 8.0 per cent in 2009-10 indicating a rapid recovery from the financial crisis. In 2010-11, growth is estimated to be higher and relatively broadbased.

(Source: Press Information Bureau- Report to the People -2011)

THE INDIAN POWER SECTOR



The International Energy Authority predicts that by 2020, 327 GW of power generation capacity will be needed, which would imply an addition of 16 GW per year. This urgent need is reflected in the target the Indian government has set in its 11th Five Year Plan (2007-2012), which envisages an addition of 78.7 GW in this period, 50.5 GW of which is coal.

Over the last 6 years, the installed capacity of the country grew at a CAGR of 5.60% while the total power generated grew at a CAGR of 5.33%. The government has set an ambitious capacity addition target of 78.55 GW to be achieved by 2012.

Power Generation in India- Sector & Fuel wise

Sector	MW	%age	Fuel	MW	%age
State Sector	82452.58	47.28	Thermal (Coal 54.28% Gas 10.15% & Oil 0.68%)	113559.48	65.12
Central Sector	54412.63	31.20	Hydro 21.54% & Nuclear 2.74%	37567.40	24.28
Private Sector	37496.19	21.50	Other Renewables	18454.52	10.58
	174361.40			174361.40	

(Source: http://www.powermin.nic.in/JSP_SERVLETS/internal.jsp#)

SUPPLY AND DEMAND FOR ELECTRICITY IN INDIA

Since the 1980's, India has been facing an imbalance with respect to its energy requirements. The demand for energy, particularly commercial energy, has been growing rapidly in India along with the growth of the economy, changes in the demographic structure, rising urbanization, socio-economic development and the desire for attaining and sustaining self-reliance in some sectors of the economy. Industrial production alone grew at a rate of 5.2% in 2009 according to the CIA Factbook. India faces significant challenges in meeting its energy needs in a sustainable manner and at competitive prices. Primary energy requirements grew at an average annual growth rate of 3.7% between FY91 and FY07, with the primary commercial energy requirement growing at an average annual growth rate of 4.9% during the same period. (Source: Planning Commission, Government of India, Eleventh Five Year Plan) According to provisional figures in the CEA's Monthly Review of the Power Sector for June 2010, the monthly national power supply deficit was at 9.4%, with the monthly national peak power deficit at 12.7%. As set forth in the actual power supply position chart below, the peak power deficit averaged 12.8% from FY2003-FY2009.

Period	Peak Demand	Peak Met (MW)	Peak Deficit/Surplus (MW)	Peak Deficit / Surplus (%)
FY 2003	81492	71547	9945	12.2
FY 2004	84574	75066	9508	11.2
FY 2005	87906	77652	10254	11.7
FY 2006	93255	81792	11463	12.3
FY 2007	100715	86818	13897	13.8
FY 2008	108866	90793	18073	16.6
FY 2009	109809	96885	13124	12
April 2009 – March 2010	109809	96885	15748	13.3

To deliver a sustained economic growth rate of 8.0% through 2031-2032 and to meet the “lifeline energy” needs of all its citizens, India needs, at the least, to increase its primary energy supply by 3 to 4 times and its electricity generation capacity by 5 to 6 times based on FY2004 levels. With FY2004 as a baseline, India’s commercial energy supply would need to grow from 5.2% to 6.1% per annum while its total primary energy supply would need to grow at 4.3% to 5.1% annually. By FY2032, power generation capacity must increase to around 800,000 MW from FY2004 capacity of around 160,000 MW inclusive of all captive plants.

(Source: Planning Commission, Integrated Energy Policy Report of the Expert Committee, August 2006)

WIND POTENTIAL

The total potential for wind power in India was first estimated by the Centre for Wind Energy Technology (C-WET) at around 45 GW, and was recently increased to 48.5 GW, and adopted by the government as the official estimate. The C-WET commissioned a comprehensive wind mapping exercise, and based on the study C-WET has published the Indian Wind Atlas which includes measurements in 9 states and the wind measurements were carried out at relatively low hub heights (50 m). At greater heights, the Indian Wind Turbine Manufacturers Association (IWTMA) estimates that the potential is around 65-70 GW, and World Institute for Sustainable Energy, India (WISE) considers that with larger turbines, greater land availability and expanded resource exploration, the potential could be as big as 100 GW.

STEADY MARKET GROWTH FOR WIND

Wind energy has today emerged as the most promising renewable energy technology for generating grid connected power amongst various renewable energy sources. The Indian wind power programme covers survey and assessment of wind resource, facilitation and implementation of demonstration and private sector projects through various fiscal and promotional policies. A total capacity of 13,184 MW has been established up to January, 2011 in the country. India is now the fifth largest wind power producer in the world, after USA, Germany, China and Spain.

THE DEVELOPMENT OF A DOMESTIC INDUSTRY AND FOREIGN INVESTMENT

India has a solid domestic manufacturing base, including global leader Suzlon with a 50% market share, as well as Vestas. In addition, international companies have set up production facilities in India, including Enercon, and GE and new entrants like Gamesa, Siemens, WinWinD, Regen, Leitner Shriram and others manufacturing MW class machines. Overall, 16 companies now manufacture wind turbines in India, with an annual production capacity of 3,000-3,500 MW. Greater stability in the Indian market has also stimulated a stronger domestic manufacturing sector; some foreign companies now source more than 80% of the components for their turbines in India.

Sl.No.	States	Potential	Capacity installed during 2010-11 (Upto Jan. 2011)	Cummulative capacity upto Jan 2011
1.	Andhra Pradesh	8968	44.80	180.90
2.	Gujarat	10645	172.18	2035.81
3.	Karnataka	11531	121.30	1594.10
4.	Kerala	1171	0	27.75
5.	Madhya Pradesh	1019	7.80	237.20
6.	Maharashtra	4584	125.05	2202.80
7.	Rajasthan	4858	292.70	1381.00
8.	Tamil Nadu	5530	613.00	5519.72
9.	Others	255	0	4.30
	Total	48561	1376.83	13183.58

(Source: www.mnre.gov.in/annualreport/2010-11)

According to Solarbuzz's research, global solar installations reached a record 18.2 gigawatts last year, which represents 139% growth over 2009's installations. Additionally, PV collectively generated US\$82 billion in revenue last year, up 105% from the US\$40 billion that was generated in 2009. In terms of demand, the top five countries in the world are: Japan, Italy, Czech Republic, Germany, and the United States. These five nations represent 80% of the world's PV demand.

OVERVIEW OF SOLAR PV INDUSTRY IN INDIA



India's solar industry has got off to a successful start this year, with a large number of power purchase agreements (PPAs) having been signed. However, bankability continues to be an issue. The report, issued by Bridge to India, states that 1,637.5 megawatts (MW) worth of PPAs have been signed in India this year: this is up from "a paltry" 24 MW in 2010. Of these 1,637.5 MW, 620 MW fall under the National Solar Mission (NSM), 84 MW under the Migration Scheme and 933.5 MW under the

Gujarat policy. The desert state of Rajasthan has also been identified as a "new riser". The report explains that it currently has a draft solar policy, which aims to install between 10,000 and 12,000 MW of solar over the next ten years. It says that the first phase will comprise 200 MW, while the second will see 400 MW installed. A tariff based on competitive bidding will be used. In terms of the PPAs signed, Rajasthan has 11 projects worth 66 MW under the NSM migration scheme, 26 projects worth 505 MW under the NSM's first phase and two five MW photovoltaic plants under the old Generation Based Incentive scheme (GBI) by the Ministry of New and Renewable Energy.

(Source: http://www.pv-magazine.com/news/details/_beitrag/indian-solar-industry-off-to-a-successful-2011--but-bankability-issues-exist_100002687/8/)

SUMMARY OF BUSINESS

We are an independent renewable energy-based power generation company focused on developing, owning and operating alternate sources of energy producing assets. Our Company has wind energy power projects at Tamil Nadu and Karnataka. We are also focusing on the development and operating solar power generating plants at Tamil Nadu and Gujarat with a capacity of 5 MW each. We are also doing agriculture including organic farming in excess wind farm land and exclusive farmlands acquired.

OUR WIND ENERGY BUSINESS

Our Company started commercial generation of wind energy in the year 2007 with capacity of 1 MW. As a part of our business strategy, we increased our installed capacity for generating wind energy. As on March 31, 2011 our installed wind mill capacity stood at 11.40 MW. Our operating wind farms are located in the States of TamilNadu & Karnataka, which are among the top Indian states with the highest wind potential (source: www.mnre.gov.in/annualreport/2010_11_English/index.htm)

The power generated from our wind farms are sold for captive purpose to Corporates, TANGEDCO and BESCOM. As a corporate policy and business strategy the power produced from the Wind Electric Generators (“WEGs”) owned by us are sold through our Group Companies, Indowind Energy Limited and Indowind Power Private Limited who enter into Power Purchase Agreements with the respective consumers. Our captive consumers are large power consumers who need reliable power supply and also look at improving their corporate social responsibility by consuming green power.

As per the order no. 3 dated May 15, 2006 of the Tamil Nadu Electricity Regulatory Commission (“TNERC Rules”) prevailing in the State of Tamil Nadu, power generation companies can sell power only to the EBs or under Group captive Scheme to Company/ies who together own at least 26% of the Share Capital of the Company. In order to get better realization, our Company has entered into a PPA with Prince Foundations Limited for sale of power.

WIND FARMS

The generation of electricity from wind energy in real sense, started only from the beginning of this century and with the growing interest reached to the stage of cost effectiveness, employing feasible light weight blades, improved ailerons, teetering attachment, direct drive transmission, increased height, aerodynamic tower & blade designs, advanced electronic control etc. The power producing windmill incorporating all these features are now popularly called the WEGs. At windy sites the WEGs are generally installed in a cluster and are connected to the electric grid through suitable transformers and switch gears. Such development of WEGs in a cluster, generating electricity from wind, is commonly known as ‘Wind farms or Wind Parks’. So the Wind farm at any given site may have a number of wind electric generators with uniform or non-uniform designs or of different or same capacities. Wind power projects consist of a cluster of Wind Electric Generators / Wind Turbines / Wind Energy Converters erected and connected together to electrical grid at a site.

OUR SOLAR ENERGY BUSINESS

Gujarat is the first State in India which has announced a viable feed-in-tariff of ₹ 15 per unit for 12 years and ₹ 5 per unit for the balance 13 years enabling a 25 year PPA to be signed for solar projects being set up in the State of Gujarat. Under the Vibrant Gujarat Policy, 2009 Government of Gujarat has allotted around 970 MW capacity of solar projects in two phases which are expected to be operational by 2012-13. The next phase of allotment is awaited where all the companies whose expression of interest for setting up solar power plant were registered by issuing certificate of registration signed during Vibrant Gujarat 2011 summit would be eligible for allotment.

As a part of our business strategy our Company is now venturing into the generation of power through solar energy, which is eco friendly. We are planning to set up 25 MW of solar power projects in Gujarat. These projects are proposed to be set in more than two phases. The total land required for 25 MW is approximately 100 acres and our Company has identified 100 acres of contiguous land in Nanichandur village, Sami Taluk, Patan district in Gujarat.

Out of the above 100 acres, our Company has already purchased 20.12 acres of land from the vendors for setting up 5MW of solar power project in the first phase and the Deeds of Conveyance for the same have been executed and lodged for Registration with the concerned authority.

Further, our Group Companies, Bekae Properties Pvt. Ltd. and Ravello Advertising Pvt. Ltd. have purchased approximately 20.17 acres and 16.12 acres of land respectively and the Deeds of Conveyance have been executed and lodged for Registration with the concerned authority. Our Company has entered into an MOU with Bekae Properties Pvt. Ltd and Ravello Advertising Pvt. Ltd. for taking the land on lease for setting up solar power projects in the next phase.

In respect of the balance 44 acres of land, some of our Group Companies are in the process of purchasing the same from the vendors. After the land is purchased and registration of the Deed of Conveyance for the same are lodged for registration/registered, our Company proposes to enter into an MOU/Lease Agreement with the concerned Group Companies for setting the solar power projects in third and fourth phases.

Phase I (5MW) Solar Power Project

We have applied and have registered our Expression of Interest vide a certificate of Registration dated January 13, 2011 in the Vibrant Gujarat Summit, 2011 for allotment of upto 10 MW capacity. In Phase I we propose to set up a 5MW solar power plant for which the land has been already acquired and we have entered into an agreement dated October 06, 2010 appointing PLG Power Limited as the EPC contractor. The cost of project as estimated by PLG Power Limited for setting up a 5MW solar power plant is ₹ 9,000 Lakhs which is proposed to be met fully from the proceeds of this Issue. For details on the cost of project please refer to Chapter titled '*Objects of the Issue*' beginning on page 65 of this Draft Red Herring Prospectus.

OUR BUSINESS STRATEGY

- ***Strengthen our position as providers of power from alternate sources of energy***

Our Company intends to strengthen and expand our business and market share through implementation of solar projects. As per our current strategy, we propose to increase our aggregate installed capacity of solar projects by 10 MW, 25MW and 50MW in the fiscal years ending March 31, 2013, 2014 and 2015, respectively. We also intend to continue our track record of acquiring renewable energy assets and agri farms as eco friendly business and improving operational efficiency through applying the technical skills developed throughout our operating experience in the alternate energy field.

- ***Improve operating efficiency and profitability***

We intend to strengthen our project implementation skills, identify and acquire renewable energy assets in the market, including assets owned by third parties not focused on power generation as a principal business, improve their performance through better maintenance; continue to build on and further develop long-term and flexible relationships with key suppliers and partners; and continue to focus on applying for benefits under renewable energy trading schemes available in the jurisdictions in which we operate.

OUR STRENGTHS

We believe the following competitive strengths help us grow our business:

- ***We operate in the rapidly growing renewable energy sector, which benefits from increasing demand for electricity and regulatory support***

We believe that the demand supply gap in the electricity, government policies, present regulations and environmental protection policies supports the growth of the renewable energy sector in India thereby reducing dependency on the non renewable energy resources such as fossil fuels.

Due to rapid increase in the consumption of electricity in our country there continues to be electricity supply deficits, particularly during peak times.

Therefore, in order to cater to the ever growing demands of the sector and environment protection, the Government of India has put in place policies to encourage the development of the renewable energy sector, such as higher tariffs and tax benefits. We believe that due to these factors driving the growth in India the renewable energy sector will provide significant growth opportunities in the Indian wind energy and solar power sectors due to the continuous increase in demand for electricity.

- ***Our Company has a flexible, scalable business model.***

We are presently generating electricity through wind farms. Going further, we are also in process of setting up a project for producing power through solar energy. The business model of our Company based on the ability to expand our business through the development and/or acquisition of a portfolio of renewable energy power plants that are diverse in fuel source, location and off-take arrangement.

We believe that our business model is flexible and is adaptable to changing environmental and financial conditions. This will enable our Company to deploy our resources efficiently and effectively.

- ***We have a qualified and experienced employee base and management team with knowledge in power generation domain***

Our Company is managed by a team of qualified and experienced personnel. The members of our senior management team possess an average experience of 8 years in the renewable power sector, including in the areas of finance, marketing and law. Our Promoter and Chairman, Mr. K.V. Bala possess an experience of more than 20 years as a promoter of alternate energy & financial services companies and is the guiding force behind the decisions taken at strategic levels. Mr. A. Raja Sukumar, our Executive Vice President has 22 years of experience in project management, finance and marketing. He is responsible for implementing the strategies of our Company. At the site level, we employ our local operational teams to be fully accountable for their performance to capitalize on their day-to-day knowledge of our suppliers, customers, local markets, weather conditions and operations. For further details, please refer to 'Key Managerial Personnel' beginning on page 139 of this Draft Red Herring Prospectus.

Our Promoters and Directors are backed with a team of qualified personnel with relevant domain experience which provides us with a competitive advantage as we seek to expand in our existing product portfolio.

THE ISSUE

Issue Details	
Public Issue of Class I Equity Shares	[●] Class I Equity Shares aggregating ₹ 10500 Lakhs
Of which:	
A. Qualified Institutional Buyers Portion*	Not more than [●] Class I Equity Shares aggregating ₹ [●] Lakhs, constituting upto 50% of the Issue to the Public (Allotment on a proportionate basis).
of which	
Available for Mutual Funds only	[●] Class I Equity Shares aggregating ₹ [●] Lakhs, constituting 5% of the Net QIB Portion (Allocation on a proportionate basis).
Balance of QIB portion (available for all QIBs including Mutual Funds)	[●] Class I Equity Shares aggregating ₹ [●] Lakhs (Allotment on a proportionate basis).
B. Non-Institutional Portion	Not less than [●] Class I Equity Shares aggregating ₹ [●] Lakhs, constituting not less than 15% of the Issue to the Public (Allocation on a proportionate basis).
C. Retail Portion	Not less than [●] Class I Equity Shares aggregating ₹ [●] Lakhs constituting not less than 35% of the Issue to the Public (Allocation on a proportionate basis).
Class I Equity Shares outstanding prior to the Issue	75,97,038 Equity Shares
Class I Equity Shares outstanding after the Issue	[●] Equity Shares
Use of Proceeds	For further details please refer Chapter titled “Objects of the Issue” beginning on page 65 of this Draft Red Herring Prospectus for information on use of Issue Proceeds.

** Our Company may allocate upto 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors. For further details, refer Chapter titled “Issue Structure” beginning on page 240 of this Draft Red Herring Prospectus. Allocation to all categories, except Anchor Investor Portion, if any, shall be made on a proportionate basis subject to valid Bids received at or above the Issue Price.*

In case of under – subscription, if any, in any of the categories, spillover to the extent of under - subscription shall be permitted from other categories or a combination of categories in the Issue at the discretion of our Company in consultation with the BRLM.

SUMMARY OF RESTATED FINANCIAL STATEMENTS

The following tables set forth summary financial information derived from our restated financial information for the years ended March 31, 2011, 2010, 2009, 2008 and 2007. This financial information have been prepared in accordance with the Companies Act and the SEBI Regulations and presented under the Chapter titled "*Financial Statements*" beginning on page 165. The summary financial information presented below should be read in conjunction with our restated financial information, the notes thereto and the Chapters titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" beginning on pages 196 and 165 respectively.

Restated Statement of Assets and Liabilities of Ind Eco Ventures Limited

(₹ in Lakhs)

Particulars		As At				
		31.03.2007	31.03.2008	31.03.2009	31.03.2010	31.03.2011
A	Fixed Assets					
	Gross Block	101.00	101.00	2,462.60	2,477.47	3,754.08
	Less : Accumulated Depreciation	70.70	87.86	944.03	1,649.79	2,164.40
	Net Block (A)	30.30	13.14	1,518.57	827.68	1,589.68
B	Investments (B)	48.36	48.45	298.67	437.72	558.61
C	Current Assets, Loans & Advances					
	Work in Progress	-	-	700.00	700.00	-
	Sundry Debtors	4.27	2.82	7.95	53.31	1.27
	Cash and Bank Balances	11.27	20.04	52.76	24.02	39.35
	Advances and Prepayments	186.69	252.58	256.84	1,537.30	1,460.77
	Deferred Tax Assets	-	-	-	50.58	73.45
	Total (C)	202.23	275.44	1,017.55	2,365.21	1,574.84
D	Liabilities and Provisions					
	Secured Loans	-	-	-	-	-
	Unsecured Loans	4.00	22.50	0.51	-	-
	Deferred Tax Liability	-	-	24.82	-	-
	Provisions	0.05	0.82	6.65	12.92	17.23
	Liabilities for expenses	0.85	0.91	1.94	6.11	24.11
	Sundry Creditors	1.27	13.02	1878.59	1462.15	1,279.84
	Total (D)	6.17	37.25	1,912.51	1,481.18	1,321.18
E	Net Worth (A+B+C-D)	274.72	299.78	922.28	2,149.43	2,401.95
F	Represented by					
	Equity Share Capital - Class I	37.66	60.66	660.61	660.61	660.61
	Equity Share Capital - Class II	-	-	-	-	250.00
	Reserves & Surplus	237.06		278.52	1508.57	1520.00

			239.12			
	Less : Revaluation Reserve	-	-	-	-	-
	Less : Miscellaneous Expenses (not written off)	-	-	16.85	19.75	28.66
G	Net Worth	274.72	299.78	922.28	2,149.43	2,401.95

Restated Statement of Profit and Loss Account of Ind Eco Ventures Limited

(₹ in Lakhs)

Particulars		For the year ended				
		31.03.2007	31.03.2008	31.03.2009	31.03.2010	31.03.2011
A	Income					
	Power Income	33.14	30.96	284.31	435.16	381.68
	Project Sale	-	-	700.00	400.00	500.00
	Profit on Sale of Investments	-	-	4.21	-	-
	Sale of Equipments	-	-	-	1,020.00	
	Sale of Stock in Trade	-	-	67.99	1.78	-
	Agricultural Income	-	-	-	9.43	5.64
	Closing Stock in Trade	-	-	2.73	-	-
	Total Income	33.14	30.96	1,059.24	1,866.37	887.32
	Other Income	0.07	0.64	11.46	4.55	2.50
	Total	33.21	31.60	1,070.70	1,870.92	889.82
B	Expenditure					
	Opening Stock in Trade	-	-	238.81	2.73	-
	Purchases of Equipments	-	-	-	1,010.00	-
	Agricultural Expenses	-	-	-	3.43	10.75
	Staff Expenses	6.09	7.28	18.01	30.12	52.12
	Administrative & Establishment expenses	1.55	4.28	49.12	31.10	225.56
	Total	7.64	11.56	305.94	1,077.38	288.43
C	Net Profit before Interest, Depreciation, Tax and Extraordinary items	25.57	20.04	764.76	793.54	601.39
	Depreciation	20.20	12.12	687.66	705.75	514.62
	Interest & Financial Charges	-	-	-	-	-
	Profit / Loss before Tax but before Extra – ordinary Items	5.37	7.92	77.10	87.79	86.77
	Provision for Taxation					
	- Current Tax	0.05	0.82	8.75	12.92	17.36
	- Deferred Tax	-	-	24.82	(75.39)	(22.87)
D	Profit / Loss after Tax but before Extra – ordinary Items.	5.32	7.10	43.53	150.26	92.28
	Extra-ordinary Items.	-	-	-	-	-
E	Profit/Loss after Tax (Before Dividend)	5.32	7.10	43.53	150.26	92.28

Less: Dividend on Equity Shares	-	-	-	49.55	66.06
Less : Tax on Dividend	-	-	-	8.42	10.97
Profit Transferred to B/S	5.32	7.10	43.53	92.29	15.25

Restated Statement of Cash Flow Account of Ind Eco Ventures Limited

(₹ in Lakhs)

Particulars	For the year ended				
	31.03.2007	31.03.2008	31.03.2009	31.03.2010	31.03.2011
A. Cash flow from Operating Activities					
Profit after Tax	5.32	7.10	43.53	150.26	92.28
Adjustments					
Add: Depreciation	20.20	12.12	687.66	705.75	514.62
Add: Merger Expenses Written off	-	-	-	0.73	0.73
Less: Financial Income	-	-	11.36	4.50	1.55
Less: Investment Income	0.07	0.64	0.10	0.05	0.95
Operating profit before working capital changes	25.45	18.58	719.73	852.19	605.13
Working Capital Changes					
Sundry Debtors - Decrease/(Increase)	(4.26)	1.45	(5.13)	(45.36)	52.04
Loans & Advances, Receivables & Unsold Power - Decrease / (Increase)	(23.96)	(65.89)	357.10	(1,280.46)	72.70
(Increase) / Decrease in Deferred Tax Assets	-	-	-	(50.58)	(22.87)
Increase / (Decrease) in Deferred Tax Liability	-	-	24.82	(24.82)	-
Tax Provision - Increase / (Decrease)	0.05	0.77	5.83	6.27	4.31
(Increase) / Decrease in W-I-P	-	-	(700.00)	-	700.00
Liabilities for Expenses - Increase / (Decrease)	0.67	0.06	1.03	4.17	18.00
Current liabilities - Increase /(Decrease)	1.93	11.75	1,190.24	(416.44)	(182.31)
(Increase) / Decrease in Other Current Liabilities	-	18.50	(21.99)	(0.51)	-
(Increase) / Decrease in Working Capital	(25.57)	(33.36)	851.90	(1,807.73)	641.87
Cash flow from Operating Activities (A)	(0.12)	(14.78)	1,571.63	(955.54)	1,247.00
B. Cash flow from Investing Activities					
Financial Income	-	-	11.36	4.50	1.55
Investment Income	0.07	0.64	0.10	0.05	0.95
(Purchase) / Sale of Fixed Assets	-	-	(1,689.60)	(14.87)	(1,276.61)
Surplus from Investing Activities					-

	-	-	-	1,137.76	
(Purchase) / Sale of Investments	(0.07)	(0.09)	(193.92)	(139.05)	(120.89)
Cash flow from Investing Activities (B)	(0.00)	0.55	(1,872.06)	988.39	(1,395.00)
C. Cash flow from Financing Activities					
Proceed from issue of Equity Shares	-	23.00	350.00	-	250.00
Dividend (incl. Tax on Dividend) Paid	-	-	-	(57.97)	(77.03)
Public Issue Expenses			(16.85)	(3.62)	(9.64)
Cash flow from Financing Activities (C)	-	23.00	333.15	(61.59)	163.33
Net Increase In Cash & Cash Equivalents (A+B+C)	(0.12)	8.77	32.72	(28.74)	15.33
Opening Cash & Cash Equivalents	11.39	11.27	20.04	52.76	24.02
Closing Cash & Cash Equivalents	11.27	20.04	52.76	24.02	39.35

GENERAL INFORMATION

Our Company was originally incorporated as “Siga Pharma Labs Private Limited” a private limited company under the provisions of the Companies Act, 1956, *vide* certificate of incorporation dated April 23, 1982, issued by the Registrar of Companies, Tamil Nadu (“RoC”). Our Company’s name was changed to Loyal Super Remedies Private Limited *vide* fresh certificate of incorporation dated November 29, 1985. Our Company was converted into a public limited Company *vide* a fresh certificate of incorporation dated March 1, 1986. The name of our Company was further changed to MSKV Remedies Limited *vide* a fresh certificate of incorporation dated January 24, 2002. The name of our Company was further changed to its present name, Ind Eco Ventures Limited *vide* fresh certificate of incorporation dated May 22, 2008. The fresh certificate of incorporation to reflect the new name was issued by the RoC with CIN U24231TN1982PLC009345.

Registered and Corporate Office of our Company

Ind Eco Ventures Limited

4th Floor, Kothari Buildings,
114 Nungambakkam High Road,
Chennai – 600 034,
Tamil Nadu
Tel: +91 44 2833 0867/ 2833 1310
Fax: +91 44 2833 0208
Email: contact@eco.ind.in
Website: www.eco.ind.in

For details of change in name and registered office, please refer to the Chapter titled “*History and Other Corporate Matters*” beginning on page 119 of this Draft Red Herring Prospectus.

Address of the RoC

Registrar of Companies Chennai, Tamil Nadu

Block No.6, B Wing 2nd Floor
Shastri Bhawan 26,
Haddows Road,
Chennai – 600034
Tamil Nadu

Company Registration Number: 9345

OUR BOARD OF DIRECTORS

The Board of Directors as on the date of filing this Draft Red Herring Prospectus with SEBI is as follows:

Sr. No.	Name, Designation and Status of the Director	Age	DIN	Address
1.	Mr. K.V. Bala <i>Non-Executive and Non-Independent</i> Chairman	46	00765036	Flat No. 101, First Floor, Arjuna Towers, 2 Mt. Mary Road, Bandra (W) Mumbai – 400 050 Maharashtra
2.	Mr. Niranjan Raosaheb Jagtap <i>Non-Executive and Independent</i>	64	01237606	A-15/16, Munjal Nagar, Eastern Express Highway, Chembur,

Sr. No.	Name, Designation and Status of the Director	Age	DIN	Address
				Mumbai – 400 089 Maharashtra
3.	Mr. K.K. Gnana Prabhakaran <i>Non-Executive and Independent</i>	59	00918669	5 A Pankajam Colony, 4 th Cross Street, New Teppakulam Colony, Madurai – 625 009 Tamil Nadu
4.	Mr. V. Kannappan <i>Executive and Non-Independent</i>	57	00834036	B-8, Hiranya Pats, No-67, Greenways Road Extn, R.A. Puram, Chennai – 600 028 Tamil Nadu

For detailed profile of our Chairman, Executive Director and other Directors, please refer to the Chapters titled “Our Management” and “Our Promoters Group and Group Companies” beginning on pages 129 and 142 respectively of this Draft Red Herring Prospectus.

COMPLIANCE OFFICER

Mr. K. K. Dinakar

4th Floor, Kothari Buildings,
114 Nungambakkam High Road,
Chennai – 600 034,
Tamil Nadu.

Tel: +91 44 2833 0867/ 2833 1310

Fax: +91 44 2833 0208

Email: dinakar@eco.ind.in

Website: www.eco.ind.in

COMPANY SECRETARY

Ms. J. Bhuvaneswari

4th Floor, Kothari Buildings,
114 Nungambakkam High Road,
Chennai – 600 034,
Tamil Nadu.

Tel: +91 44 2833 0867/ 2833 1310

Fax: +91 44 2833 0208

Email: cs@eco.ind.in

Website: www.eco.ind.in

Investors can contact the compliance officer and /or the Registrar to the Issue and / or the Book Running Lead Manager, i.e., Saffron Capital Advisors Private Limited, in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of allocation, credit of allotted Class I Equity Shares in the respective beneficiary account or refund orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB giving full details such as name, address of the applicant, number of Class I Equity Shares applied for, Bid Amount blocked, ASBA Account number and the Designated Branch of the relevant SCSB where the ASBA Form was submitted by the ASBA Bidder.

BOOK RUNNING LEAD MANAGER**Saffron Capital Advisors Private Limited**

SEBI Reg. No. INM000011211

A- 102, Everest Grande,
Mahakali Caves Road,
Andheri (East)

Mumbai - 400 093

Tel: +91 22 4082 0917/907**Fax:** +91 22 4082 0999**Website:** www.saffronadvisor.com**Email:** ivl.ipo@saffronadvisor.com**Contact Person:** Mr. Amit Wagle/ Mr. Anup Varpe**REGISTRAR TO THE ISSUE****Bigshare Services Private Limited**

SEBI Reg. No. INR000001385

E-2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (East),

Mumbai – 400 072.

Tel: +91 22 2856 0652**Fax:** +91 22 2847 5207**Website:** www.bigshareonline.com**Email:** ipo@bigshareonline.com**Contact Person:** Mr. Ashok Shetty**LEGAL ADVISORS TO THE ISSUE****M/s. Crawford Bayley & Co.**

Advocates & Solicitors

State Bank Buildings, 4th Floor,

N.G.N. Vaidya Marg, Fort,

Mumbai - 400 001

Maharashtra, India

Tel: +91 22 2266 8000**Fax:** +91 22 2266 3978**Email:** sanjay.asher@crawfordbayley.com**STATUTORY AUDITORS TO THE COMPANY****S. Vasudevan & Associates, Chartered Accountants**

B1-H2, Nutech Indira,

150 – Pillayarkovil Street,

Jafferkanpet, Ashok Nagar,

Chennai – 600 083

Tel: +91 44 2474 4948**E-mail:** vaudev@yahoo.com**Contact Person:** Mr. S.Vasudevan**INDEPENDENT AUDITOR (PEER REVIEW CERTIFIED)****M/s V Ramaratnam & Co**115/I, Fourth Street, Abhiramapuram, Chennai
600 018**Tel:** + 91 44 2499 7151**Fax:** + 91 44 2499 29 53**Email:** sundar1234@gmail.com**Contact Person:** Mr. R. Sundar**BANKER TO OUR COMPANY****Development Credit Bank**#61, Nungambakkam High Road
Chennai – 600 034**Tel:** +91 44 6452 0730/31/32**Fax:** +91 44 42040777**Website:** www.dcbi.com**E-mail:** lavanyag@dcbi.com**Contact Person:** G. Lavanya**IPO GRADING AGENCY****ICRA Limited**3rd floor, Electric Mansion,

Appasaheb Marathe Marg, Prabhadevi,

Mumbai- 400 025, Maharashtra, India

Tel: +91 22 3047 0000**Fax:** +91 22 2433 1390**Email:** aghosh@icraindia.com**Website:** www.icra.in**Contact Person:** Mr. Anjan Ghosh**BANKERS TO THE ISSUE AND ESCROW COLLECTION BANKS**

[•]

REFUND BANKER

[•]

SYNDICATE MEMBERS

[•]

SELF CERTIFIED SYNDICATE BANKS

[•]

[•]

STATEMENT OF RESPONSIBILITY OF THE BRLM

Since Saffron is the sole BRLM for the Issue, the entire Issue related activities are handled by Saffron. However, the details of responsibility for Saffron are as follows:

Sr. No.	Activity
1.	Capital structuring with relative components and formalities such as type of instruments, etc.
2.	Due diligence of the Company including its operations/management/ business/plans/legal, etc. Drafting and design of the Offer Document, and of statutory advertisement including a memorandum containing salient features of the Prospectus. The BRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI including finalisation of the Prospectus and RoC filing, including co-ordination with Auditors for preparation of financials and drafting and approving all statutory advertisements.
3.	Drafting and approval of all publicity material including the statutory advertisements as mentioned above, including road show presentations, corporate advertising, brochures, etc.
4.	Appointment of other intermediaries' viz., Registrar to the Issue, Printers, Advertising Agency, Bankers to the Issue.
5.	Preparation of road show presentation and frequently asked questions;
6.	International institutional marketing of the Issue, which will cover, <i>inter alia</i> : <ul style="list-style-type: none">• Finalising the list and division of investors for one-to-one meetings; and• Finalising the road show schedule and the investor meeting schedules.
7.	Domestic institutional marketing of the Issue, which will cover, <i>inter alia</i> : <ul style="list-style-type: none">• Finalising the list and division of investors for one-to-one meetings; and• Finalising the road show schedule and the investor meeting schedules.
8.	Non-institutional and retail marketing of the Issue, which will cover, <i>inter alia</i> : <ul style="list-style-type: none">• Formulating marketing strategies and preparation of publicity budget;• Finalising media and public relations strategy;• Finalising centres for holding conferences for press, brokers, etc.;• Follow-up on distribution of publicity and Issue material including forms, the Prospectus and deciding on the quantum of Issue material;• Finalising collection centres and arranging for selection of Underwriter and execution of an underwriting agreement; and• Coordination with the Stock Exchanges for book building software, bidding terminals and mock trading.
9.	Pricing, managing the book and coordination with Stock-Exchanges.
10.	The post bidding activities including management of escrow accounts, co-ordinate non-institutional and institutional allocation, intimation of allocation and dispatch of refunds to bidders etc.
11.	Post-Bidding activities including management of escrow accounts, co-ordination of non-institutional allocation, coordination with the Registrar to the Issue and Bankers to the Issue, intimation of allocation and dispatch of refunds to Bidders, etc. The post-Issue activities will involve essential follow up steps, including the finalisation of trading, dealing of instruments and dispatch of certificates and demat of delivery of shares with the various agencies connected with these activities such as the Registrar to the Issue, the Bankers to the Issue and the bank handling refund business. The BRLM shall be responsible for ensuring that these agencies fulfil their functions and for enabling them to discharge their responsibilities through suitable agreements with the Company.

CREDIT RATING

This being an issue of equity shares there is no requirement of credit rating.

IPO GRADING

The Issue has been graded by ICRA Limited, a SEBI registered credit rating agency and has been assigned the 'IPO Grade [●]', indicating [●] fundamentals through its letter dated [●], which is valid for a period of [●] months. The IPO grading is assigned on a five point scale from 1 to 5 wherein an 'IPO Grade 5' indicates strong fundamentals and 'IPO Grade 1' indicates poor fundamentals.

A copy of the report provided by ICRA Limited, furnishing the rationale for its grading, will be annexed to the Red Herring Prospectus and will be made available for inspection at our Registered Office from 10 a.m. to 4 p.m. on working days from the date of filing of the Red Herring Prospectus, until the Bid/Issue Closing Date.

For details of and a summary of the Rationale for the grading assigned by the IPO Grading Agency, please see the section titled '*Annexure [●]*' of the Red Herring Prospectus.

EXPERT OPINION

Except the report of ICRA Limited in respect of the IPO grading of the Issue as mentioned in the Chapter titled "*General Information*" beginning on page 43 of this Draft Red Herring Prospectus, report of J. Suresh (Chartered Civil Engineer and Approved Valuer) dated June 15, 2011 for valuation of wind mills and except for the reports of the auditors of our company, S. Vasudevan & Associates. in respect of the information contained in Chapters titled "*Financial Statements*" and "*Statement of Tax benefit*" beginning on pages 165 and 76 respectively, we have not obtained any expert opinions.

TRUSTEES

This is being an issue of equity shares the appointment of trustee is not required.

MONITORING AGENCY

Monitoring Agency is not required to be appointed in terms of sub regulation (1) of Regulation 16 of the SEBI (ICDR) Regulations.

APPRAISAL ENTITY

The objects of the Issue have not been appraised by any appraising entity. The Objects of the Issue and means of finance, therefore are based on internal estimates of our Company.

BOOK BUILDING PROCESS

Book Building refers to the process of collection of Bids from investors, which is based on the Band Red Hed Herring Prospectus within the Price Band. The Issue Price shall be determined by our Company in consultation with the BRLM after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

- a) Our Company,
- b) Book Running Lead Manager in this case being Saffron,
- c) Syndicate Member(s) who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. The BRLM shall appoint the Syndicate Members,
- d) Registrar to this Issue,
- e) Escrow Collection Bank(s) and
- f) Self Certified Syndicate Banks through whom ASBA Bidders would subscribe in the Issue.

This Issue is being made in compliance with Regulation 26 (1) of the SEBI ICDR Regulations and through the Book Building Process. In accordance with Regulation 26 (4) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees shall not be less than 1,000.

This Issue is being made through a 100% Book Building Process, wherein, subject to valid Bids being received at or above the Issue Price in each of the below categories:

- i. Upto 50% of the Issue to the Public shall be available for Allocation on a proportionate basis to QIBs (of which 5% will be available for Allocation on a proportionate basis to Mutual Funds only, and Mutual Fund Bidders shall also be eligible for proportionate Allocation under the balance portion available for the QIBs);
- ii. Not less than 15% of the Issue shall be available for Allocation on a proportionate basis to Non Institutional Bidders;
- iii. Not less than 35% of the Issue shall be available for Allocation on a proportionate basis to Retail Individual Bidders.

Our Company may, in consultation with the Book Running Lead Manager, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price in accordance with the SEBI ICDR Regulations. At least one-third of the Anchor Investor Portion shall be available for allocation to domestic Mutual Funds only. Allocation to Anchor Investors shall be on a discretionary basis subject to minimum number of two Anchor Investors. An Anchor Investor shall make a minimum Bid of such number of Class I Equity Shares that the Bid Amount is at least ₹ 1,000 lakhs. Further, Anchor Investors shall pay the entire Bid Amount at the time of submission of the Bid-cum-Application Form to the Book Running Lead Manager and the balance within the Pay-in Date which shall be a date no later than two days of the Bid/Issue Closing Date. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Class I Equity Shares shall be added to the Net QIB Portion. Our Company has not considered the option of allocation to / participation by Anchor Investors in the Issue.

In accordance with the SEBI Regulations, QIBs bidding in the Net QIB Portion are not allowed to withdraw their Bids after the Bid/Issue Closing Date. Further, allocation to QIBs will be on a proportionate basis.

Pursuant to SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, all non retail investors, i.e., QIBs and non-institutional investors are mandatorily required to utilise the ASBA facility to submit their bids and participate in this issue. For further details, please refer to the Chapter titled “Issue Procedure” beginning on page 246.

Our Company will comply with the SEBI (ICDR) Regulations for this Issue. In this regard, our Company has appointed Saffron, as the BRLM to manage the Issue and to procure subscriptions to the Issue.

QIBs are not allowed to withdraw their Bid after the Bid/ Issue Closing Date upon submission of their Bid. For further details, please refer to the Chapter titled “Issue Procedure” beginning on page 246 of this Draft Red Herring Prospectus.

The Book Building Process is subject to change. Investors are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Steps to be taken by the Bidders for making a Bid or application in this Issue:

1. Check eligibility for making a Bid. For further details, see the Chapter titled “Issue Procedure” beginning on page 246 of the Prospectus. Specific attention of ASBA Bidders is invited to the Chapter titled “Issue Procedure” beginning on page 246.
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid-cum-Application Form, as the case may be;
3. Ensure that the Bid cum Application Form is duly completed as per the instructions given in the Red Herring Prospectus and in the respective forms;
4. Ensure that you have mentioned your PAN in the Bid-cum-Application Form or ASBA Bid-cum-Application Form (for further details, see the Chapter titled “Issue Procedure” on page 246). Bidders are specifically requested not to submit their GIR number instead of the PAN as the Bid is liable to be rejected on this ground;

5. Ensure the correctness of your Demographic Details (as defined under the paragraph titled “**Bidder’s Depository Account Details**”, in Chapter titled “**Issue Procedure**” on page 246), given in the Bid-cum-Application Form, and the details recorded with your Depository Participant; and
6. Bids by ASBA Bidders have to be submitted to the SCSBs at the Designated Branches or Members of the Syndicate (at ASBA Bidding Locations). ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSBs to ensure that their ASBA Bid-cum-Application Form is not rejected.

Illustration of Book Building and Price Discovery Process

(Investors should note that this illustration is solely for the purpose of illustration and is not specific to this Issue and excludes information pertaining to Bidding by Anchor Investors)

Bidders (including ASBA Bidders) can bid at any price within the price band. For instance, assume a price band of ₹ 60 to ₹ 72 per Equity Share, issue size of 5,400 Equity Shares and receipt of five bids from the bidders. A graphical representation of the consolidated demand and price would be made available at the website of the BSE (www.bseindia.com) and NSE (www.nseindia.com) at the bidding centres during the bidding/issue Period. The illustrative book as set forth below shows the demand for the equity shares of our Company at various prices and is collated from Bids from various investors.

Bid Quantity	Bid Price	Cumulative Quantity	Subscription
1,500	72	1,500	27.78%
3,000	69	4,500	83.33%
4,500	66	9,000	166.67%
6,000	63	15,000	277.78%
7,500	60	22,500	416.67%

The price discovery is a function of demand at various prices. The highest price at which our Company is able to issue the desired quantity of Equity Shares is the price at which the book cuts off, i.e., ₹ 66 in the above example. Our Company, in consultation with the BRLM, will finalise the Issue Price at or below such cut off price, i.e., at or below ₹ 66. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for Allocation in the respective category.

The process of Book Building, under the SEBI ICDR Regulations, is relatively new and is subject to change, from time to time. The ASBA process has been notified vide SEBI Circular dated August 28, 2008 and is a new process. Accordingly, investors are advised to make their own judgement about investment through this process of Book Building (including through ASBA process) prior to making a Bid.

BID/ISSUE

Bidding /Issue Programme**

BID/ISSUE OPENS ON	[●]
BID/ISSUE CLOSES ON (QIB BIDDERS)	[●]
BID/ISSUE CLOSES ON (EXCEPT QIB BIDDERS)	[●]

* Our Company may, in consultation with the BRLM, allocate up to 30% of the QIB Portion, i.e. [●] Class I Equity Shares, to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid / Issue Period shall be 1 Working Day prior to the Bid / Issue Opening Date.

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 3.00 p.m.** (Indian Standard Time) during the Bidding Period (i) for non-ASBA Bidders, as mentioned above at the bidding centres mentioned on the Bid-cum-Application Form; and (ii) for ASBA Bidders, at any of the Designated Branches of SCSBs; **except that on the Bid/Issue Closing Date** (which for the QIBs may be a day prior to that of the other Bidders), **Bids shall be accepted only between 10.00 a.m. and 1.00**

p.m. (Indian Standard Time) and uploaded till (i) **4.00 p.m.** in case of Bids by QIB Bidders, Non-Institutional Bidders and (ii) until 5.00 p.m. or till such time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders (including ASBA Bidders).

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids at least one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, it may lead to some Bids not being uploaded due to lack of sufficient time to upload them. Such Bids that cannot be uploaded will not be considered for Allocation under the Issue.

Bids will only be accepted on working days, i.e., Monday to Friday (excluding any public holiday). On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders (including ASBA Bidders) after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid-cum-Application Forms as stated herein and reported by the BRLM to the Stock Exchanges within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

Our Company in consultation with the BRLM reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI ICDR Regulations, provided that the Cap Price is less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Class I Equity Shares. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band as appearing in the Red Herring Prospectus. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain [•] Class I Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of ₹5,000 to ₹7,000.

In case of revision in the Price Band, the Issue Period will be extended for three (3) additional days after revision of the Price Band, subject to the Bid/Issue Period not exceeding ten (10) working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the websites of the BRLM and at the terminals of the other members of the Syndicate and to the SCSBs.

Withdrawal of the Issue

Our Company, in consultation with the BRLM reserves the right not to proceed with the Issue at any time before Allotment in this Issue, without assigning any reason thereof. If our Company withdraws from the Issue, it shall issue a public notice within two days of the Bid/ Issue Closing Date. The notice shall be issued in the same newspapers where the pre-Issue advertisements have appeared and our Company shall also promptly inform the Stock Exchanges. If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of its Class I Equity Shares, it shall file a fresh Draft Red Herring Prospectus with the SEBI.

Notwithstanding the foregoing, the Issue shall also be subject to:

- i. The final listing and trading approvals of the stock exchanges, which our Company shall apply for after Allotment;
- ii. The final RoC approval for the Prospectus, after it is filed with the RoC.

In the event of withdrawal of the Issue anytime after the Bid/Issue Opening Date, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after our Company become liable to repay it, i.e. from the date of withdrawal, then our Company, and every Director of our Company who

is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money.

In terms of the SEBI ICDR Regulations, QIB Bidders (other than Anchor Investors) shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date. Anchor Investors shall not be allowed to withdraw their Bids after the Anchor Investor Bid/ Issue Period.

Underwriting Agreement

After the determination of the Issue Price but prior to filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriter for the Class I Equity Shares proposed to be issued in the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Member(s) do not fulfil their underwriting obligations. The Underwriting shall be to the extent of the bids uploaded by the Underwriter including through its syndicates / sub-syndicates. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter are several and are subject to certain conditions to closing, as specified therein.

The Underwriter has indicated their intention to underwrite the following number of Class I Equity Shares:

Name and Address of the Underwriter	Indicative Number of Class I Equity Shares to be Underwritten	Amount Underwritten (₹ in Lakhs)
Saffron Capital Advisors Private Limited SEBI Reg. No.INM00001121 A- 102, Everest Grande, Mahakali Caves Road, Andheri (East) Mumbai - 400 093 Tel: (022) 4082 0917/906 Fax: (022) 4082 0999 Email: ivl.ipo@saffronadvisor.com Website: www.saffronadvisor.com	[•]	[•]
Total	[•]	[•]

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with RoC)

The abovementioned amount is indicative and this would be finalised after determination of the Issue Price and actual Allocation of the Class I Equity Shares. The above Underwriting Agreement is dated [•] and has been approved by the Board of Directors.

In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the above mentioned Underwriter are sufficient to enable them to discharge the underwriting obligations in full. The abovementioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. The above Underwriting Agreement has been accepted by the Board of Directors acting through the Chairman of our Company and our Company has issued letters of acceptance to the Underwriter.

Notwithstanding the above table, the BRLM and the Syndicate Members shall be responsible for ensuring payment with respect to Class I Equity Shares allocated to investors procured by them. In the event of any default in payment, the Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure / subscribe to the Class I Equity Shares to the extent of the defaulted amount as specified in the Underwriting Agreement. The BRLM shall be responsible for bringing in amounts devolved in the event that the other members of the Syndicate do not fulfil their underwriting obligations.

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Red Herring Prospectus is as follows:

		Amount (in ₹ Lakhs)	
		Aggregate value at nominal value	Aggregate value at Issue Price
A.	Authorised Capital		
	2,05,00,000 Equity Shares of ₹ 10 each	2,050	
	Class (I) Equity Shares		
	1,60,00,000 Equity Shares of ₹10	1,600	
	Class (II) Equity Shares		
	45,00,000 Equity Shares of ₹10	450	
B.	Issued, Subscribed and Paid-Up Capital before the Issue		
	10097038 Equity Shares of ₹ 10 each	1009.70	
	Class (I) Equity Shares		
	75,97,038 Equity Shares of ₹ 10 each	759.70	
	Class (II) Equity Shares		
	25,00,000 Equity Shares of ₹10	250.00	
C.	Present Issue in terms of this Draft Red Herring Prospectus		
	Issue of [●] Class I Equity Shares of ₹ 10 each at a price of ₹ [●] of our Company	[●]	[●]
	<i>Of which:</i>		
	QIB Portion of upto [●]Class I Equity Shares**	[●]	
	Non-Institutional portion of not less than [●] Class I Equity Shares	[●]	
	Retail Portion of not less than [●] Class I Equity Shares	[●]	
D.	Issued, Subscribed and Paid-Up Capital after the Issue		
	[●] Class I Equity Shares of ₹ 10 each	[●]	[●]
E.	Securities Premium Account		
	Before the Issue		NIL
	After the Issue*		[●]

*The Securities Premium Account after the Issue shall be determined after Book Building Process.

** Allocation to QIBs is proportionate as per the terms of this Draft Red Herring Prospectus. 5% of the QIB Portion shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. Out of the QIB Portion, our Company may consider participation by Anchor Investors upto 30% in accordance with the SEBI (ICDR) Regulations at the Anchor Investor Issue Price, out of which at least one third shall be allocated to domestic Mutual Funds.

NOTES TO THE CAPITAL STRUCTURE

1. Details of increase in Authorised Share Capital since incorporation

Sr. No.	Particulars of increase/change	Cumulative number of Equity Shares	Cumulative authorised capital (₹)	Date of shareholders' meeting	AGM/EGM
1.	Incorporation	5,000	5,00,000	-	-
2.	Split of each share of ₹ 100 each into 10 equity Shres of ₹ 10 each	50,000	5,00,000 *	March 01, 1986	EGM
3.	Increase from ₹ 5 Lakhs to ₹ 75 Lakhs	7,50,000	75,00,000	March 01, 1986	EGM
4.	Increase from ₹ 75 Lakhs to ₹ 1,000 Lakhs	1,00,00,000	10,00,00,000	April 16, 2008	EGM
5.	Increase from ₹ 1,000 Lakhs to ₹ 1,010 Lakhs **	1,01,00,000	10,10,00,000	Pursuant to scheme of amalgamation	
6.	Increase and re-classification of Equity Shares from ₹ 1,010 Lakhs to ₹ 1,300 Lakhs divided into	1,30,00,000	13,00,00,000	July 16, 2010	EGM
	(a) 1,00,00,000 Class I Equity shares of ₹ 10 each; and	1,00,00,000			
	(b) 3,00,00,000 Class II Equity shares of ₹ 1 each	3,00,00,000			
7.	Consolidation of ₹ 1,300 Lakhs Equity Shares divided into	1,30,00,000	13,00,00,000	August 13, 2010	EGM
	(a) 1,00,00,000 Class I Equity shares of ₹ 10 each; and	1,00,00,000			
	(b) 30,00,000 Class II Equity Shares of ₹ 10 each	30,00,000(@)			
8.	Increase from 1,300 Lakhs to 1,650 Lakhs divided into	1,65,00,000	16,50,00,000	October 29, 2010	EGM
	(a) 1,20,00,000 Class I Equity shares of ₹ 10 each; and	1,20,00,000			
	(b) 45,00,000 Class II Equity Shares of ₹ 10 each	45,00,000			
9.	Increase from 1,650 Lakhs to 2,050 Lakhs divided into	2,05,00,000	20,50,00,000	June 29, 2011	EGM
	(a) 1,60,00,000 Class I Equity shares of ₹ 10 each; and	1,60,00,000			
	(b) 45,00,000 Class II Equity Shares of ₹ 10 each	45,00,000			

* The face value of one Class I Equity Share of ₹ 100 each was subdivided into 10 Equity Shares of ₹ 10 each vide meeting of the shareholders held on February 01, 1986.

@ the face value of Class II Equity Shares was consolidated from Re 1 per Class II Equity Share to ₹ 10 per Class II Equity Share

****Our Company acquired Fullbloom Investments Private Limited ("**Transferor**") on April 01, 2008 pursuant to the order of High Court of Madras dated September 15, 2009 and subsequently the authorised capital of the transferor i.e. 1,00,000 equity shares was combined with our Company. For further details, please refer to para "Mergers, Acquisitions and Changes in the Management" on page no. 119 of this Draft Red Herring Prospectus.**

2. Equity Share Capital History of our Company (Class I)

Date of Allotment of the Equity Shares	No. of Equity Shares	Face value (₹)	Issue Price (₹)	Nature of payment / consideration	Reasons for Allotment	Cumulative number of Equity Shares	Cumulative Paid-up Capital (₹)	Cumulative security premium (₹)
Incorporation	300	100	100	Cash	Allotment to Subscribers to memorandum	300	30000	Nil
March 01, 1986	3,000	10	--	---	Split	3,000	30,000	Nil
March 01, 1986	100	10	10	Cash	Further Allotment	3,100	31,000	Nil
May 20, 1986	50,000	10	10	Cash	Further Allotment	53,100	5,31,000	Nil
March 30, 1989	1,28,500	10	10	Cash	Preferential Allotment to Mrs. Chintamani Achi	1,81,600	18,16,000	Nil
March 04, 2002	45,000	10	10	Cash	Preferential Allotment to Mr. K. V. Bala	2,26,600	22,66,000	Nil
March 17, 2005	1,50,000	10	10	Cash	Preferential Allotment to Loyal Credit & Investments Limited	3,76,600	37,66,000	Nil
March 07, 2008	2,30,000	10	10	Cash	Preferential Allotment to Mr. K. V. Bala	6,06,600	60,66,000	Nil
April 30, 2008	35,00,000	10	10	Cash	Preferential Allotment to Loyal Credit & Investments Limited	41,06,600	4,10,66,000	Nil
June 27, 2008	24,63,960	10	--	Other than Cash	Bonus allotted in the ratio of 6:10 out of free reserves	65,70,560	6,,57,05,600	Nil
October 16, 2009	* 35,560	10	--	Other than Cash	Allotment pursuant to scheme of Amalgamation of Full Bloom Investments Private Limited vide order of the High Court of Madras	66,06,120	6,60,61,200	Nil
June 29, 2011	9,90,918	10	10	Cash	Preferential Allotment to Indus Capital Private Limited	75,97,038	7,59,70,380	NIL

* Our Company while filing the Return of Allotment with Registrar of Companies, Tamil Nadu has inadvertently shown it as 'Consideration for Cash'. Subsequently, our Company has rectified the same by filing revised Return of Allotment and has shown it as 'Consideration Other than Cash'

3. Equity Share Capital History of our Company (Class II Equity Shares)

Date of Allotment of the Equity Shares	No. of Equity Shares	Face value (₹)	Issue Price (₹)	Nature of payment / consideration	Reasons for Allotment	Cumulative number of Equity Shares	Cumulative Paid-up Capital (₹)	Cumulative security premium (₹)
August 17, 2010	25,00,000	10	10	Cash	Preferential Allotment to Prince Foundations Limited	2500000	25000000	Nil

4. Equity Capital Built Up for Prince Foundations Limited (Class II Shareholder)

Date of Allotment / acquisition / transaction and when made fully paid up	Nature of acquisition (Allotment/ transfer)	Number of Equity Shares	Class of Equity Share	Face value per Equity Share (in ₹)	Issue/ transfer price per Equity Share (in ₹)	Consideration (cash/other than cash)	% of pre issue capital	% of post issue capital
August 17, 2010	Preferential Allotment	25,00,000	II	10	10	Cash	24.76	[•]
Total		25,00,000					24.76	[•]

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

Except as stated below, our Company has not issued any Equity Shares for consideration other than cash:

Date of Allotment	Persons to whom allotted	No. of Class I Equity Shares Allotted	Face Value (₹)	Reasons	Whether benefits have accrued to the issuer
June 27, 2008	Loyal Credit & Investments Limited	21,09,000	10	Bonus allotted in the ratio of 6:10	No
	Mr. K.V. Bala	3,54,660			
	Karumuthu Finance Limited	60			
	Ms. K.B.Prathadevi	60			
	Mr. K.S. Ravindranath	60			
	Ms. K.B. Shalini	60			
	Mr. K.B. Amit	60			
	Total (A)	24,63,960			
October 16, 2009	SMS Tools Private Limited	22,633	10	Allotment pursuant to scheme of Amalgamation of Full Bloom	Pursuant to the Order of Hon'ble High Court of Madras dated
	Karumuthu Finance Limited	9,333			
	Mr. K.V. Bala	3,500			

Ms. Sakila	47	Investments	September 15,
Mr. K.K. Govindamoorthy	47	Private Limited vide order of the High Court of Madras	2009, <i>inter alia</i> four wind mills located in and around State of Tamil Nadu were acquired and effected in our books w.e.f April 01, 2008
Total (B)	35,560		

6. Except as stated below, no Equity Shares have been allotted pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956:

Date of Allotment	Persons to whom Allotted	No. of Class I Equity Shares Allotted	Face Value (₹)
October 16, 2009	SMS Tools Private Limited	22,633	10
	Karumuthu Finance Limited	9,333	
	Mr. K.V. Bala	3,500	
	Ms. Sakila	47	
	Mr. K.K. Govindamoorthy	47	
	Total	35,560	

7. Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
8. Our Company does not have any Employee Stock Option Scheme /Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
9. Except as stated below, our Company has not made any issue of Equity Shares during preceding one year.

Date of Issue	Name of the Persons	No. of Shares	Class	Issue Price (₹)	Whether part of Promoter Group	Reasons for Allotment
August 17, 2010	Prince Foundations Limited	25,00,000	Class II	10	No	(Refer Note below)
June 29, 2011	Indus Capital Private Limited	9,90,918	Class I	10	Yes	Preferential Allotment

Note: As per Order #3 dated May 15, 2006 of the Tamil Nadu Electricity Regulatory Commission (“TNERC Rules”) prevailing in Tamil Nadu, power generation companies can sell power only to the Electricity Boards or under Group captive Scheme to Company/ies who together own at least 26% of the Share Capital of the Company on a pro rata basis proportionate to total plant capacity. Accordingly, our Company has entered into a PPA with Prince Foundations Limited for sale of 4.5 MW power (constituting 39.47% of our total capacity of 11.4 MW) under Group Captive Scheme. However taking into account our future plans to sell more power under Group captive Scheme our Company has allotted 25,00,000 Class II Equity shares to Prince Foundations

Limited. This 25,00,000 Class II Equity Shares constitutes 24.76% of the total existing issued Paid up Equity Share Capital of our Company.

10. We presently do not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of the Issue, by way of split/ consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise.

11. **Promoters' Contribution and Lock-in details in respect of Promoters, whose names figure in this Draft Red Herring Prospectus as Promoters in the paragraph on 'Promoters and their Background' are as under:**

Details of built up of the Promoter's shareholding in our Company

Name of the Promoter	Date of Allotment / acquisition / transaction and when made fully paid up	Nature of acquisition (Allotment/ transfer)	Number of Class I Equity Shares	Face value per Equity Share (in ₹)	Issue/ transfer price per Equity Share (in ₹)	Consideration (cash/other than cash)	% of Class I pre issue capital	% of Class I post issue capital
Loyal Credit & Investments Limited	March 17, 2005	Preferential Allotment	150000	10	10	Cash	1.97	[]
	June 16, 2006	Transfer to Wind Energy Development	(120000)	10	10	Cash	(1.58)	[]
	July 20, 2007	Transfer to Karumuthu Finance Limited	(30000)	10	10	Cash	(0.39)	[]
	March 07, 2008	Transfer from Mr. K.K. Govindamoorthy	15000	10	10	Cash	0.20	[]
	April 30, 2008	Preferential allotment	3,500,000	10	10	Cash	46.07	[]
	June 27, 2008	Bonus Issue in the ratio of 6:10	2,109,000	10	0	Other than cash	27.76	[]
	Total (A)		5624000				74.03	
Mr. K.V. Bala	March 04, 2002	Preferential Allotment	45000	10	10	Cash	0.59	[]
	June 16, 2006	Transfer to Mr. K.K. Govindamoorthy	(15000)	10	10	Cash	(0.20)	[]
	March 07, 2008	Transfer from Mr. K.K. Govindamoorthy	181200	10	10	Cash	2.39	[]
	March 07, 2008	Transfer from Karumuthu Finance Limited	149900	10	10	Cash	1.97	[]
	March 7, 2008	Preferential Allotment	230000	10	10	Cash	3.03	[]
	June 27, 2008	Bonus Issue in the ratio of 6:10	354660	10	-	Other than cash	4.67	[]

	October 16, 2009	Allotment pursuant to merger of Full Bloom Investments Private Limited vide order of the High Court of Madras	3500	10	-	Other than Cash	0.05	[]
	Total (B)		949260				12.50	
	Total (A)+(B)		6573260				86.52	

Notes:

- All the Class I Equity Shares held by the Promoters were fully paid up at the time of the allotment.
- None of the Class I equity shares held by our Promoters is pledged or encumbered on the date of filing this Draft Red Herring Prospectus.

12. During the past six months immediately preceding the date of filing draft offer document with the Board, there are no transactions in our Equity Shares, which have been purchased/(sold) by our Promoters, their relatives and associates, persons in Promoter Group (as defined under sub clause (zb) sub regulation (1) Regulation 2 of SEBI ICDR Regulation, 2009 or the directors of the company which is a promoter of the Company and/or the Directors of the Company, except as mentioned below:

Name	No. of Class I Shares	Date of Transaction	Price per share (₹)	Transferor	Transferee	Minimum Price of Purchase/Sale	Maximum Price of Purchase/Sale
Mr. K. B. Amit	160	May 12, 2011	10	Mr. K. B. Amit	SMS Tools Private Limited	₹ 1,600	₹ 1,600
Ms. K. B. Shalini	160	May 12, 2011	10	Ms. K. B. Shalini	SMS Tools Private Limited	₹ 1,600	₹ 1,600

13. None of our Promoters, Promoter Group Entities, Directors of the Company which is a promoter of the Company, Directors or the relatives thereof have financed the purchase of the Class I Equity Shares of our Company by any other person or entity of securities of the Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing this Draft Red Herring Prospectus with SEBI.

14. The Class I Equity Shares which are eligible for being locked in as per SEBI (ICDR) Regulations, 2009 and being offered for lock-in are as follows.

Name of the Promoter	* Date of Allotment / acquisition / transaction and when made fully paid up	Nature of acquisition (Allotment/ transfer)	Number of Class I Equity Shares	Face value per Equity Share (in ₹)	Issue/ transfer price per Equity Share (in ₹)	Consideration (cash/other than cash)	% of Class I pre issue capital	Lock in Period (Years) **
Loyal Credit & Investments Limited	March 17, 2005	Preferential Allotment	150000	10	10	Cash	1.97	[]
	June 16, 2006	Transfer to Wind Energy Development	(120000)	10	10	Cash	(1.58)	--
	July 20, 2007	Transfer to Karumuthu Finance Limited	(30000)	10	10	Cash	(0.39)	--

	March 07, 2008	Transfer from Mr. K.K. Govindamoorthy	15000	10	10	Cash	0.20	[□]
	April 30, 2008	Preferential allotment	3,500,000	10	10	Cash	46.07	[□]
	June 27, 2008	Bonus Issue in the ratio of 6:10	2,109,000	10	0	Other than cash	27.76	[□]
	Total (A)		5624000				74.03	
Mr. K.V. Bala	March 04, 2002	Preferential Allotment	45000	10	10	Cash	0.59	[□]
	June 16, 2006	Transfer to Mr. K.K. Govindamoorthy	(15000)	10	10	Cash	(0.20)	--
	March 07, 2008	Transfer from Mr. K.K. Govindamoorthy	181200	10	10	Cash	2.39	[□]
	March 07, 2008	Transfer from Karumuthu Finance Limited	149900	10	10	Cash	1.97	[□]
	March 7, 2008	Preferential Allotment	230000	10	10	Cash	3.03	[□]
	June 27, 2008	Bonus Issue in the ratio of 6:10	354660	10	-	Other than cash	4.67	[□]
	October 16, 2009	Allotment pursuant to merger of Full Bloom Investments Private Limited vide order of the High Court of Madras	3500	10	-	Other than Cash	0.05	[□]
	Total (B)		949260				12.50	
	Total (A)+(B)		6573260				86.52	

** All the Class I Equity Shares held by the Promoters were fully paid up at the time of their allotment*

****** 20% of the Post-Issue Paid-up Class I Equity Share Capital, as determined after the book-building process, would be locked-in for a period of three years from the date of allotment and the balance Pre-Issue Paid-up Class I Equity Share Capital would be locked-in for a period of one year from the date of allotment. The lock-in period shall be reckoned from the date of allotment of Equity Shares in the present Issue. These securities will not be disposed / sold / transferred by the Promoters during the period starting from the date of filing this Draft Red Herring Prospectus with SEBI till the date of commencement of lock in period as stated in this Draft Red Herring Prospectus.

Note: All the Class I Equity Shares which are being locked in for three years are eligible for computation of Promoters' contribution and lock in as per SEBI (ICDR) Regulations, 2009.

15. We confirm that the minimum Promoters' contribution of 20% of the post-Issue Capital, which is subject to lock-in for three years does not consist of :

- (a) Class I Equity Shares acquired within three years before the filing of this Draft Red Herring Prospectus with SEBI for consideration other than cash and revaluation of assets or capitalisation of intangible assets or resulting from a bonus issued by utilization of revaluation

- reserves or unrealized profits of our Company or from bonus issue against Class I Equity Shares which are ineligible for minimum Promoter's contribution.
- Securities acquired by our Promoters, during the preceding one year, at a price lower than the price at which Class I Equity Shares are being offered to the public in the Issue.
 - Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.
 - Class I Equity Shares issued to our Promoters on conversion of partnership firms into limited company.
 - Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as Promoters under SEBI (ICDR) Regulations, 2009.
 - Class I Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the minimum Promoter's contribution subject to lock-in.
 - Pledged Class I Equity Shares held by our Promoters.

16. Lock-in of Class I Equity Shares allotted to Anchor Investors

In terms of SEBI ICDR Regulations, Class I Equity Shares allotted to Anchor Investors, in the Anchor Investor Portion, shall be locked-in for a period of 30 days from the date of allotment of Class I Equity Shares in the Issue.

- The specific written consent has been obtained from the Promoters for inclusion of such number of their existing shares to ensure minimum Promoters contribution subject to lock-in to the extent of 20% of Post-Issue Paid-up Class I Equity Share Capital.
- The entire pre-issue Class I & II Equity Share Capital of our Company other than the minimum Promoters contribution, which is locked-in for a period of three years, shall be locked-in for a period of one year from the date of allotment in the present Public Issue.
- Our Company, our Promoters, our Directors and the BRLM to this Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Class I Equity Shares issued by our Company through this Draft Red Herring Prospectus.
- There are no safety net arrangements for this public issue.
- An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the minimum allotment lot and multiple of one share thereafter, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Issue as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. The number of Class I Equity Shares held by the Promoters and subject to lock- in will be determined after finalization of Issue Price and the number of shares to be issued so as to ensure that minimum contribution of 20% of the Post Issue paid-up capital is locked in for a period of 3 years.

Consequently, the actual allotment may go up by a maximum of 10% of the Net Issue to Public, 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 Class I Equity Shares held by the Promoter 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.

- Since the entire money of ₹ [●] per share (₹ 10 face value + ₹ [●] premium) is being called on application, all the successful applicants will be issued fully paid-up Class I Equity Shares only.

- Shareholding Pattern of our Company before and after the Issue is as under:

Category	Pre-Issue		Post-Issue*	
	No. of Class I Shares	% Holding to Class I	No. of Class I Shares	% Holding to Class I

Promoters	6573260	86.52	6573260	[●]
Promoter Group	991238	13.05	991238	[●]
Employees	0	0	0	0
Public	32540	0.43	[●]	[●]
Total	7597038	100.00	[●]	100

**The final Post Issue Shareholding pattern will be determined after the Book-Building Process.*

24. The Class I Equity Shares which are subject to lock-in shall carry the inscription 'non-transferable' and the non-transferability details shall be informed to the depositories. The details of lock-in shall also be provided to the Stock Exchanges, where the shares are to be listed, before the listing of the securities
25. In terms of Regulation 40 of SEBI (ICDR) Regulations, 2009 the Class I Equity Shares held by persons other than Promoters may be transferred to any other person holding shares prior to the Issue, subject to continuation of lock-in with transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.
26. As on the date of filing of this Draft Red Herring Prospectus with SEBI, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Class I Equity Shares.
27. In terms of Regulation 39 of SEBI (ICDR) Regulations, 2009, Class I Equity Shares held by Promoters and locked-in can be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution, provided that the pledge of shares is one of the conditions under which the loan is sanctioned. Further, Equity Shares locked in as minimum promoters' contribution may be pledged only in respect of a financial facility which has been granted for the purpose of financing one or more of the objects of the Issue.
28. In the case of over-subscription in all categories, not more than 50% of the Issue shall be available for allocation on a proportionate basis to QIBs, 5% of the Net QIB Portion shall be reserved for Mutual Funds only subject to valid Bids being received at or above the Issue Price. Mutual Funds participating in the Mutual Fund Portion of the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. Upto 30% of the QIB Portion shall be available for allocation to Anchor Investors and one-third of the Anchor Investor Portion shall be available for allocation to domestic Mutual Funds. Under-subscription, if any, in the Mutual Funds portion will be met by a spillover from the QIB Portion and be allotted proportionately to the QIB Bidders. Further, not less than 15% of Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.
29. Under-subscription, if any, would be met with the spill over from any other category at the sole discretion of our Company in consultation with the BRLM. If the aggregate demand by Mutual Funds is less than 5% of QIB Portion, the balance share available for allocation in the Mutual Fund Portion will be added to the QIB Portion and be allocated proportionately to QIB Bidders.
30. As on date of filing of this Draft Red Herring Prospectus with SEBI, the entire Issued Share Capital of our Company is fully paid-up.
31. Particulars of top ten shareholding is as follows:
 - a. **As on the date of filing this Draft Red Herring Prospectus**

Sr. No	Name of shareholder	No. of Shares	% of then Issued Capital
	Class I		
1.	Loyal Credit & Investments Ltd	5624000	74.03

2.	Mr. K. V. Bala	949260	12.50
3.	Ms. K. B. Prathadevi	160	Negligible
4.	Mr. K. S. Ravindranath	160	Negligible
5.	Indus Capital Private Limited	990918	13.04
6.	Karumuthu Finance Limited	9540	0.13
7.	M K.K. Govindmoorthy	47	Negligible
8.	SMS Tools Private Limited	22953	0.30
	Total	7,597,038	100.00
	Class II		
1.	Prince Foundations Limited	25,00,000	100
	Total	25,00,000	100

b. 10 days prior to the date of filing this Draft Red Herring Prospectus

Sr. No	Name of shareholder	No. of Shares	% of then Issued Capital
	Class I		
1.	Loyal Credit & Investments Ltd	5624000	85.13
2.	Mr. K. V. Bala	949260	14.37
3.	Ms. K. B. Prathadevi	160	Negligible
4.	Mr. K. S. Ravindranath	160	Negligible
5.	Karumuthu Finance Limited	9540	0.14
6.	M K.K. Govindmoorthy	47	Negligible
7.	SMS Tools Private Limited	22953	0.35
	Total	6,606,120	100.00
	Class II		
1.	Prince Foundations Limited	25,00,000	100
	Total	25,00,000	100

c. 2 years prior to the date of filing this Draft Red Herring Prospectus (Class I)

Sr. No	Name of shareholder	No. of Shares	% of then Issued Capital
1	Loyal Credit & Investments Ltd	5,624,000	85.59
2	Mr. K. V. Bala	945,760	14.39
3	Karumuthu Finance Limited	160	Negligible
4	Ms. K. B. Prathadevi	160	Negligible
5	Mr. K. S. Ravindranath	160	Negligible
6	Ms. K. B. Shalini	160	Negligible
7	Mr. K. B. Amit	160	Negligible
	Total	6,570,560	100

32. Our Company has not raised any bridge loan against the proceeds of this Issue.

33. There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of

this Draft Red Herring Prospectus with SEBI until the Class I Equity Shares issued through the Prospectus are listed or application moneys refunded on account of failure of Issue.

34. Our Company undertakes that at any given time, there shall be only one denomination for the Class I Equity shares of our Company and our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
35. A Bidder cannot make a Bid for more than the number of Class I Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
36. No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this issue.
37. We have 08 Class I shareholders as on the date of filing of this Draft Red Herring Prospectus.
38. We do not propose to list Class II Equity Shares pursuant to this Issue.

39. Shareholding pattern of the Company before and after the Offer (Class I):

The table below represents our shareholding pattern in accordance with Clause 35 of the Listing Agreement

Category Code	Category of Shareholder	No. of Shareholders	Total no. of shares	No. of shares held in de materialized form	Total shareholding as a percentage of total number of shares		Total Shareholding as a % of total number of shares		Equity Shares pledged or otherwise encumbered		
					(Pre-Issue)		(Post-Issue)				
										As a % of	As a % of
					(A + B)	(A+B+C)	(A + B)	(A+B+C)	Equity Shares		
(A)	Shareholding of promoter and promoter group										
-1	Indian										
(a)	Individuals/Hindu undivided Family	3	949,580	0	12.50%	12.50%					
(b)	Central Government/State Government(s)	-	-	-	-	-	-	-			
(c)	Bodies Corporate#	2	6,614,918	0	87.07%	87.07%	-	-			
(d)	Financial Institutions/Banks	-	-	-	-	-	-	-			
(e)	Any other (Specify)										
	Sub-Total (A) (1)	5	7,564,498	-	99.57%	99.57%					
-2	Foreign										
(a)	Individuals (Non Resident Individuals/Foreign Individuals)	-	-	-	-	-					
(b)	Bodies Corporate	-	-	-	-	-	-	-			
(c)	Institutions	-	-	-	-	-	-	-			
(d)	Any Other (Overseas Corporate Body)	-	-	-	-	-	-	-			
	Sub-Total (A) (2)	0	0	0	0	0	-	-			
	Total Shareholding of Promoter and promoter group	5	7,564,498		99.57%	99.57%					

	(A)=(A)(1)+ (A)(2)									
(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 Investor	-	-	-	-	-				
(g)	Foreign Venture Capital Investors	-	-	-	-	-				
(h)	Any Other	-	-	-	-	-				
	Sub Total (B)(1)	0	0	0	0	0				
-2	Non Institutions	-	-	-	-	-				
(a)	Bodies Corporate	2	32,493	-	0.43%	0.43%				
(b)	Individuals-	1	47	-						
	i) Individual shareholders holding nominal share capital up to Rs 1 lac									
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 lac	-	-	-						
(c)	Any other I. NRI (Non-Repatriate)	-	-	-						
	Sub Total (B)(2)	3	32,540	0	0.43%	0.43%				
	Total Public shareholding (B)= (B)(1) + (B)(2)	3	32,540	0	0.43%	0.43%				
	Total (A) + (B)	8	7,597,038	0	100.00%	100.00%				
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0				
	Grand Total	8		-	100.00%	100.00%				
	(A)+(B)+(C)		7,597,038							

40. The BRLM or associates of the BRLM do not hold any Equity Shares in our Company.

41. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing this Draft Red Herring Prospectus with SEBI and the Bid/Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.

42. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the Chapter titled “Our Management” beginning on page 129 of this Draft Red Herring Prospectus.

OBJECTS OF THE ISSUE

Our Company intends to utilise the Issue Proceeds for the following objects:

1. To set up 5 MW Solar Project in Patan District, Gujarat, India
2. To meet Working Capital requirements
3. For General Corporate Purposes
4. To meet Issue Expenses

The main object clause of the Memorandum of Association of our Company enables us to undertake our existing activities and the activities for which funds are being raised by us through this Issue. We further confirm that the activities by our Company carried out until now are in accordance with the object clause of the Memorandum of Association of our Company.

Fund Requirements:

The fund requirements for each of the objects are given in the following table:

Sr. No.	Particulars	Amount (₹ in lakhs)
1	To set up 5 MW Solar Project in Patan District, Gujarat	9,000
2	To meet Working Capital requirements	500
3	For General Corporate Purposes*	<input type="checkbox"/>
4	To meet Issue Expenses*	<input type="checkbox"/>
	Total	10,500

** To be incorporated at the time of filing of the Prospectus*

Means of Finance:

The entire fund requirement of ₹ 10,500 Lakhs is proposed to be met out of the Issue proceeds.

In case of any variations in the actual utilization of funds earmarked for the objects mentioned above or in case of increased fund requirements for a particular object, the shortfall, if any, may be financed by surplus funds, if any, available for other objects and/or the Company's internal accruals, Private Placement and/or Debt facilities that may be availed from the banks/financial institutions, to the extent of such shortfall.

The details of our fund requirements and deployment of funds for the solar project are based on the quotation received from PLG Power Limited, the EPC contractor for the project and the working capital requirements have been estimated by the management of our Company. The cost of the project and other fund requirements have not been appraised by any bank or financial institution. These requirements are subject to change taking into consideration variations in costs and other external factors which may not be within our control or as a result of changes in our financial condition, business or strategy. Our management will have the discretion to revise our business plans from time to time and consequently our funding requirements and deployment of funds may also be changed. This may result in rescheduling the proposed utilisation of the proceeds and increasing or decreasing expenditure for a particular object *visa-vis* the utilisation of the proceeds.

Since the objects of the Issue are proposed to be financed out of Issue proceeds, the requirement of an undertaking, as per Regulation 4(9) of ICDR Regulations, confirming that firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount proposed to be raised through this Issue, is not applicable.

Appraisal

Our Company has not got its proposed requirements of funds as detailed in this chapter appraised by any bank or financial institution.

Details of use of the Issue proceeds

1. To set up 5 MW Solar Project in Patan District, Gujarat (“Patan Project”)

Patan Project

Our Company is venturing into the generation of power through solar energy. Our Company intends to develop a 5 MW solar power PV project in Phase I in Gujarat under Vibrant Gujarat Policy and the Government of Gujarat has approved and agreed to facilitate our Company in obtaining all necessary permissions/ registration/ approvals/ clearances etc from the concerned Departments of the State as per the policies/Rules and Regulations of the State Government. Our Company has applied and has registered our Expression of Interest *vide* a certificate of Registration dated January 13, 2011 in the Vibrant Gujarat Summit, 2011 for allotment of upto 10 MW capacity.

Our Company has purchased 20.12 acres of land in Nanichandur Village, Sami Taluk, Patan District, Gujarat for setting up a 5 MW Solar PV Farm based on Crystalline Poly Silicon Technology in Phase I. Further our Company has also signed MOU dated October 06, 2010 (“EPC MOU”) with PLG Power Limited, (“PLG or EPC contractor”) for setting up 5 MW plant on Engineering, Procurement and Commissioning (“EPC”) basis.

Brief Details of PLG

PLG is a company incorporated under the Companies Act, 1956, having its corporate office at 139, A-1, Shah & Nahar Industrial Estate, Lower Parel (W), Mumbai 400 013, India. PLG is engaged in the business of setting up, developing and supplying fully operational on-grid photovoltaic plants in India, on turnkey basis, for generation of electricity using solar energy.

Brief details of cost

Sr. No.	Particulars for each 5 MW project	Amount (₹ In Lakhs)
1)	Land	199.25
2)	<ul style="list-style-type: none">• Building, Civil Works and Equipments• Site Development & Weather Monitoring• Supply of approx 21750 PV modules• Project Management & Installation cost• Ground Mounting Structures & Inverters• Substation Contract	8015.16
3)	Fees, Bank Charges & other costs	785.59
	Total	9000.00

Details of total cost is given below:

a) Land and Site Development

For setting up a 1MW of Solar Power plant with Crystalline PV modules approximately 4-5 acres of land is required. Our Company has purchased 20.12 acres of land in Nanichandur Village in Sami Taluk, Patan District, Gujarat for setting the 5 MW solar power plant.

Following are the details of costs:

Sr. No.	Particulars	Amount (₹ in Lakhs)
1.	Land Cost	40.36
2.	Stamp Duty and Registration Expenses	24.37
3.	Site Survey, NA conversion cost, Land Consolidation and Process cost for Industrial purpose	44.50
4.	Fencing, Land Levelling and Civil Work cost	55.00

5.	Contingencies for revision in Jantri Rate	35.00
	Total	199.25

Details of the land as per the certificate dated July 01, 2011 issued by M/s A.G. Bapat & Co., Advocates are as under:

Land acquired by Ind Eco Ventures Limited in Gujarat							
Sr. No.	Location	Survey Number	* Consideration (including stamp duty @ 20.33%)	Date of 7/12 extracts	Area (acres)	S Date of Conveyance	Sellers Name
1	Mouje Nanichunder, Taluka Sami, Zilla Patan, District, Gujarat	56	21,59,000	March 07, 2011	10.57	June 16, 2011	Thakore Bharatji Motibhai & others
2	Mouje Nanichunder, Taluka Sami, Zilla Patan, District, Gujarat	57	18,77,000	March 07, 2011	9.55	June 20, 2011	Thakore Bharatji Motibhai & others
	Total		40,36,000		20.12		

* As per the certificate dated July 06, 2011 issued by S. Vasudevan & Associates, Statutory Auditors, of our Company

\$ Deeds of conveyance have been lodged for registration with Sub-Registrar, Sami Taluka, Patan District, Gujarat. For further details, please refer to risk factor no. 22 beginning on page no. 21 of this Draft Red Herring Prospectus.

b) Building , Civil Works and Equipments

Building & Civil Works *interalia* includes civil works for construction of Inverter base and Housing, construction of Transformer station control room, construction of Central Control Room / office / Maintenance Room, Security Guard Accommodation, Fencing etc.

As per the quotation dated June 24, 2011 received from PLG, brief details of expenses are as under:

Sr. No	EPC Details	Description	Amount (₹ in Lakhs)
1.	Installation of entire Plant and Civil & Foundation Works	Includes Plumbing, laying of cables and all other civil works 8 feet height chain link fencing with concertina on the top	300.00
2.	Solar PV Modules (approx. 21750)	PLG make/230 W Multi Crystalline/ Any reputed make	5031.00
3.	Ground Mounting Structures	Manual Tracking Design and Engineering by PLG	500.00
4.	DC Cabling between Panel & Inverters	Polycab/Finolex/LAPP / Bhansali	300.00
5.	Grid Inverters	Power One –USA/ Bonfiglioli / Siemens	640.00

6.	AC Cabling between Inverter & Substation	Polycab/Finolex/LAPP / Bhansali	300.00
7.	Transformer Station LT Panel, HT Panel	Approved as per State Transmission Company/AREVA L&T / Schneider /CG/ C&S/ABB	220.50
8.	Local Project Management & Transportation	Includes Transportation of all equipments to site and local PM	450.00
9.	Data Communication to Internet	Includes Weather monitoring, SCADA and Central control station	116.50
		Total EPC	7858.00
		Tax@2%	157.16
		Total EPC	8015.16

c) Fees, Bank Charges & other costs

The details of break up of Fees, Bank Charges and other costs are as follows:

Fees, Bank Guarantee and other expenses	Amount (₹ in Lakhs)
Government Load extension/CDM Fees	56.00
Bank Guarantee Margin	275.00
Bank Guarantee Processing Fees	25.00
Consultancy Fees	100.00
Contingency (4% of EPC)	329.59
Total	785.59

2. To meet Working Capital requirements

• Solar Power Projects

We intend to use part of the Issue proceeds towards financing working capital requirements for Solar Power Project in Gujarat. The working capital requirement of our Company for the proposed solar project is expected to be approximately ₹ 578.4 Lakhs for FY 2012 as assessed based on the workings of our Company. Our Company intends to meet its working capital requirements to the extent of 500 Lakhs from the Issue Proceeds and the balance ₹78.40 Lakhs will be met from internal accruals at an appropriate time as per the requirement.

The details of working capital requirements are given below:

Particulars	Assumptions	Annual Amount. (₹ in Lakhs)	No. of Months/ Percentage (*)	Total working capital amount in FY 2012 (₹ in Lakhs)
Operation & Maintenance Expenses (“O&M Expenses”) (#)	100% of O&M Expenses	50.27	2	8.38

Billing Cycle	@ Power Units accumulated	1350.00	1	112.50
Bill Receivable	Time taken for Bill Realisation	1350.00	4	450.00
Maintenance Spares	\$ 15% of O&M Expenses	50.27	15%	0.75
	Total			578.40
	Internal Accruals			78.40
	IPO Proceeds			500.00

(*) Management Estimates

@ Power Units accumulated

Power units are computed on the basis of EPC contract dated October 06, 2010 with PLG wherein annual generation of 18 Lakhs units per MW is guaranteed. Further, as per Gujarat Electricity Regulatory Commission order no. 2 of 2010 and Suo Motto Order no. 8 of 2010, a tariff of ₹ 15/- per KWH is assured for the first twelve years from the Commissioning Operation Date, ("COD").

O & M Expenses

O&M Expenses	Computed as per (CERC Order No L-7/186(201)/2009-CERC Dated 25th February, 2010) ("CERC Order")	
For FY 2010-11	O&M Expenses per MW	9.51 Lakhs
	O&M Escalation rate	5.72%
For FY 2011-12	O&M Expenses per MW	10.05 Lakhs
	O&M Expenses for 5 MW (₹ 10.10 * 5)	50.27 Lakhs

\$ Maintenance spares are estimated at 15% of the O&M Expenses as provided in the CERC Order

- Wind Energy Generation Business**

The working capital for our existing Wind Energy Generation Business is as follows:

Particulars	For FY 2010-2011 (Audited) (₹ In Lakhs)
Current Assets	
Sundry Debtors	1.27
Other Current Assets incl Supplier Advances	1,378.63
Total Current Asset (A)	1,379.90
Current Liabilities Other than bank Borrowings	
Sundry Creditors	1,279.54
Other Current Liabilities + Provisions	41.47
Total Current Liabilities (B)	1,321.01
Working Capital Gap (A-B)	58.89
Met through Internal Accruals	58.89

The peculiar nature of wind power business demands lesser working capital outlay as compared to other businesses since it does not involve inventory and other overhead costs. Our working capital needs for wind power business are met through internal accruals. Further, we do not estimate any increase in working capital requirement for wind power business since we do not envisage any further

expansion in wind power business. As a result, our internal accruals shall be sufficient enough to meet the working capital requirements of wind power business in future.

3. General Corporate Purpose

After meeting the cost of implementing the solar project and meeting the issue expenses the balance of issue proceeds will be used for our general corporate purposes including but not restricted to, meeting operating expenses, payment of taxes, and meeting exigencies, which our Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act.

4. To meet the issue expenses

The issue expenses include, among others, issue management fees, underwriting and selling commission, distribution expenses, legal fees, printing and stationery expenses, advertising and issue marketing expenses, listing fees to the stock exchanges, registrar and depository fees. All expenses with respect to the Issue will be met out of the Proceeds of the Issue.

The total estimated expenses are ₹ [•] Lakhs, which is [•] % of the Issue size.

Activity*	Amount (₹ lakhs)	% of the Issue Expenses	% of the Total issue Size
Lead Management Fees	[]	[]	[]
Underwriting commission, brokerage and selling commission	[]	[]	[]
Registrar to the Issue's Fees	[]	[]	[]
Advertisement and Marketing expenses	[]	[]	[]
Printing and distribution expenses	[]	[]	[]
IPO Grading Expenses	[]	[]	[]
Legal Advisors	[]	[]	[]
Others (SEBI filing fees, bidding software expenses, depository charges, listing fees, etc.	[]	[]	[]
Total	[]	[]	[]

*Will be incorporated at the time of filing of the Prospectus.

Funds Deployed

As per the certificate dated July 06, 2011 issued by S. Vasudevan & Associates, Statutory Auditors, our Company has deployed ₹ 134.56 Lakhs as on June 30, 2011. The funds have been financed out of internal accruals.

Estimated Schedule of Deployment of Funds

Particulars	Expenses incurred till June 30, 2011*	Deployment FY 2011- 12	(₹ In Lakhs)
			Fund Requirements
To set up 5 MW Solar Project in Patan District, Gujarat	**104.73	8,895.27	9,000
Working Capital Requirements	--	500	500
General Corporate Purposes	--	[]	[]
To meet Issue Expenses	29.83	[]	[]
Total	134.56	[]	[]

* As per the certificate dated July 06, 2011 issued by S. Vasudevan & Associates, Statutory Auditors, of our Company.

**** Amount of ₹ 104.73 Lakhs includes ₹ 51.00 Lakhs paid to PLG Power Limited and Land cost of ₹ 53.73 Lakhs.**

In order to complete the project in time our Company will continue to incur further expenditure towards the project and the same will be funded out of internal accruals and/or loans from Bank(s)/Group Company/ies or any other private arrangements. All such expenses incurred as above will be recouped/repaid from the Issue Proceeds.

Schedule of Implementation

Particulars	Expected Commencement	Expected Completion
Obtaining Registration Certificate	Obtained	
MOU with the EPC Contractor	Already Signed	
Purchase of Land	Completed	
Placing of Order for equipments	Completed	
Apply for Capacity Allotment	September 2011*	October 2011*
Signing of PPA	October 2011*	November 2011*
Project Execution and commissioning	October/November 2011*	March 2012*

** Assuming that window for allotment of capacity shall be opened by Government of Gujarat in September 2011. For further details, please refer to risk factor no. 23 beginning on page no. 21 of this Draft Red Herring Prospectus.*

Interim Use of Proceeds

Our management, in accordance with the policies established by the Board, will have the flexibility in deploying the proceeds received from the Issue. The particular composition, timing and schedule of deployment of the proceeds will be determined by us based upon the development of the project. Pending utilization of the proceeds out of the Issue for the purposes described above, our Company intends to temporarily invest the funds in high quality interest bearing liquid instruments including deposits with banks, investment in mutual funds or other investment grade interest bearing securities as may be approved by the Board such as principal protected fund, rated debentures, etc. Such investments would be in accordance with the investment policies approved by the Board from time to time.

Monitoring Utilization of Funds

In terms of Regulation 16(1) of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency for the purposes of this Issue. As required under the listing agreements with the Stock Exchanges, the Audit Committee appointed by our Board will monitor the utilization of the Issue proceeds. We will disclose the utilization of the proceeds of the Issue, including interim use, under a separate head in our quarterly financial disclosures and annual audited financial statements until the Issue Proceeds remain unutilized, as required under the applicable law and regulation.

No part of the Proceeds from the Issue will be paid by our Company as consideration to our Promoters, Promoter Group, our Directors, Group Companies or Key Managerial Personnel, except in the normal course of our business.

For risks associated with our "Objects of the Issue", please refer to the Section titled "Risk Factors" beginning on page 12 of this Draft Red Herring Prospectus.

BASIC TERMS FOR THE ISSUE

Terms of the Issue

The Class I Equity Shares being offered are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Bid-cum-Application Form, ASBA Bid cum Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Class I 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.

Terms of Payment

Applications should be for a minimum of [●] Class I Equity Shares and in multiples of [●] Class I Equity Shares thereafter. The entire price of the Class I Equity Shares of ₹ [●] per share (₹ 10 face value + ₹ [●] premium) is payable on application. In case of allotment of lesser number of Class I Equity Shares than the number applied, the excess amount paid on application shall be refunded by us to the applicants.

Ranking of Class I Equity Shares

The Class I Equity Shares being offered through the Issue shall be subject to the provisions of the Companies Act, the Memorandum and Articles of Association of our Company and shall rank *pari passu* in all respects with the existing Class I Equity Shares including in respect of the rights to receive dividend. The Allottees, in receipt of Allotment of Class I Equity Shares under the Issue, will be entitled to dividend, voting rights or any other corporate benefits, if any, declared by our Company after the date of Allotment.

Face Value and Issue Price per Share

The Class I Equity Shares having a face value of ₹ 10 each are being offered in terms of this Draft Red Herring Prospectus at a price of ₹ [●] per Class I Equity Share. At any given point of time there shall be only one denomination of the Class I Equity Shares of our Company, subject to applicable laws.

Price Band: ₹ [●] to ₹ [●] per Class I Equity Share of Face Value of ₹ 10 each. The Floor Price is [●] times of the Face Value and the Cap Price is [●] times of the Face Value.

The Price Band and the minimum Bid lot size for the Issue will be decided by our Company, in consultation with the BRLM, advertised in all editions of [●] in English, Hindi and of [●] in Tamil at least two Working Days prior to the Bid/Issue Opening Date.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Class I Equity Shares shall be allotted only in dematerialized form. In terms of existing SEBI (ICDR) Regulations, 2009, the trading in the Class I Equity Shares shall only be in dematerialized form for all investors.

Since trading of the Class I Equity Shares will be in dematerialized mode, the tradable lot is one Class I Equity Share. Allocation and allotment of Class I Equity Shares through this Offer will be done only in electronic form in multiples of 1 Class I Equity Share subject to a minimum allotment of [●] Class I Equity Shares to the successful bidders.

Minimum Subscription

If our Company do not receive the minimum subscription of 90% of the Issue to the Public including devolvement of the Underwriters within 60 days from the Bid Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after our

Company become liable to pay the amount, we shall pay interest prescribed under Section 73 of the Companies Act 1956.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Class I Equity Shares will be Allotted will be not less than 1,000.

BASIS FOR ISSUE PRICE

Investors should read the following summary along with the Sections titled “Risk Factors”, “About Us” and “Financial Statements” beginning on pages 12, 87 & 165 respectively of this Draft Red Herring Prospectus. The trading price of the Class I Equity Shares of our Company could decline due to these risks and you may lose all or part of your investments.

The Issue Price will be determined by our Company in consultation with the BRLM on the basis of assessment of market demand for the Class I Equity Shares offered by way of book building.

Qualitative Factors:

- Our Company is planning to setup 25 MW of Solar Power project out of which they have already got MoU signed with Govt. of Gujarat for setting up 10 MW project. Company has already identified 100 acres contiguous land in Patan district, Gujarat out of which 56 acres has already been acquired (20.12 acre by our company and balance by group companies).
- Our Company has already appointed PLG Power Limited as EPC contractor for setting up 5 MW Solar power project. EPC contractor has guaranteed generation of 90 Lakhs units (@18 Lakhs units per MW per annum. For further details, please refer to Chapter titled “Objects of this Issue” beginning on page 65 of this Draft Red Herring Prospectus.
- Government of Gujarat as per the Gujarat Solar Policy 2009 has announced feed-in tariff for 25 years (₹15 per unit for first 12 years and ₹ 5 per unit for balance 13 years). Our Company would be entitled to these rates and in the first full year of operation, we would earn ₹ 13.50 crores from solar power business.
- Our Company would also be entitled to Carbon Emission Reductions (“CERs”) under UNFCCC, and hence it would be able to get additional revenue from this. Our Company has already appointed InRhythm Energy Solutions Pvt. Ltd. as a consultant for getting the CERs.
- The gestation period for setting up a solar power project is very short and subject to opening of a window of allocation by Government of Gujarat our Company would be in a position to commission the project within 6 months from the completion of the Issue or signing of PPA whichever is later.

Quantitative Factors

1. Adjusted Earnings Per Share

Particulars	EPS (₹)	Weights
2008-2009	0.69	1
2009-2010	2.27	2
2010-2011	1.13	3
Weighted Average EPS	1.44	

2. Price/Earning Ratio (P/E) in relation to Issue Price of ₹ [●] per share

Particulars	P/E at the lower end of the price band (₹ [●])	P/E at the higher end of the price (₹ [●])
a. Based on 2010-11 EPS of ₹ 1.13	[●]	[●]
b. Based on weighted average EPS of ₹1.44	[●]	[●]

3. Return on Net Worth

Particulars	RONW (%)	Weights
2008-2009	4.72	1
2009-2010	6.99	2
2010-2011	3.84	3
Weighted Average RONW	5.04	

4. Minimum Return on Net Worth needed after the Issue to maintain pre-Issue EPS of ₹ 1.13 is

- a) At the higher end of the price band [●]%
- b) At the lower end of the price band [●]%

5. Net Asset Value (₹)

Particulars	At the lower end of the price band (₹ [●])	At the higher end of the price band (₹ [●])
As on March 31, 2011	26.38	26.38
After Issue	[●]	[●]
Issue Price	[●]	

6. Comparison of Accounting Ratios with Peer Group Companies

There are no comparable figures available with us since there is no Indian listed company in the Wind and Solar Power generation business.

7. The market value of existing windmills (29 WEGs) is ₹ 5455 Lakhs as per the valuation report dated 15 June, 2011 obtained from Mr. J. Suresh, Chartered Engineer and Registered Valuer (Panel valuer of State Bank of India, Bank of India, Bank of Baroda, Central Bank of India and Registered Valuer for Income Tax and Wealth Tax).

The face value of our Class I Equity Shares is ₹10 per share and the Issue Price of ₹ [●] is [●] times of the face value of our Class I Equity Shares. The final price would be determined on the basis of the demand from the investors.

The BRLM believes that the Issue Price of ₹ [●] per Class I Equity Share is justified in view of the above qualitative and quantitative parameters. The investors may also want to peruse the risk factors and our financial statements beginning on pages 12 and 165 respectively, of this Draft Red Herring Prospectus to have a more informed view about the investment proposition.

STATEMENT OF TAX BENEFITS

The Board of Directors
IND ECO VENTURES LIMITED
4th Floor, Kothari Buildings,
114 Nungambakkam High Road,
Chennai – 600 034,
Tamil Nadu, India

Dear Sirs,

We hereby report that the enclosed statement provides the possible tax benefits available to **IND ECO VENTURES LIMITED** (“the Company”) and to the shareholders of the Company under the Income tax Act, 1961 and Wealth Tax Act, 1957, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. 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 imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

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

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

The contents of the enclosed statement 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.

For S Vasudevan & Associates
Chartered Accountants

S Vasudevan
Partner
M.No. 27228
FRN: 004569S

Place: Chennai
Date: July 06, 2011

STATEMENT OF TAX BENEFITS

The following possible tax benefits shall be available to the Company and the prospective shareholders under the Current Direct Tax Laws. 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 the fulfilling such conditions.

I TO THE COMPANY

SPECIAL TAX BENEFITS

Direct Taxes

- As the Company is engaged in generation of power it is eligible for deduction of 100% of the profits and gains from the business of generation of power, under section 80-IA of ITA, for a period of 10 consecutive assessment years in a block of 15 years starting from the year in which the company starts generating power, subject to compliance with conditions specified in Section 80-IA. It may be mentioned that deduction u/s. 80-IA shall be available only in respect of an undertaking which starts generating power on or before March 31, 2012.
- As the Company is in the business of generation of power, by virtue of clause (i) of sub-section (1) of Section 32 of the ITA, the Company has an option to claim depreciation on straight line method on actual cost of the assets instead of written down value method on written down value of block of assets, in respect of the assets acquired on or after 1st April 1997. It may be mentioned here that once the option is exercised, it will apply for all subsequent assessment years.

General Tax Benefits available to our Company

UNDER THE INCOME TAX ACT

1. In accordance with section 10(34), dividend income (referred to in section 115-O) received by the company will be exempt from tax.
2. In accordance with section 32(1)(ii), the company can claim depreciation on specified tangible (being Buildings, Plant & Machinery, Computer and Vehicles) and intangible assets (being Knowhow, Copyrights, Patents, Trademarks, Licenses, Franchises or any other business or commercial rights of similar nature acquired on or after 1st April, 1998) owned by it and used for the purpose of its business. In case of any new plant and machinery (other than ships and aircraft) that will be acquired and installed by the company engaged in the business of manufacture or production of any article or thing, the company will be entitled to a further sum equal to twenty per cent of the actual cost of such machinery or plant subject to conditions specified in section 32 of the Act.
3. In accordance with section 35D, 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 for each of the five successive previous years beginning with the previous year in which the extension of the undertaking is completed or the new unit commences production or operation, subject to conditions and limits specified in that section.
4. In accordance with section 35DDA, the company is eligible for deduction in respect of payments made to its employees in connection with their voluntary retirement for an amount equal to 1/5th of the amount so paid for that previous year, and the balance in four equal installments for each of the succeeding previous years subject to conditions specified in that section.
5. In accordance with section 35, the company is eligible for –
 - a. Deduction in respect of any expenditure (not being in the nature of capital expenditure) on scientific research related to the business subject to conditions specified in that section.

- b. As per section 35(2AA) a deduction of 125% shall be allowed as a deduction of the sum paid by the company, to a National Laboratory or a University or an Indian Institute of Technology or a specified person as specified in this section with a specific direction that the sum shall be used for scientific research undertaken under a programme approved in this behalf by the specified authority subject to conditions specified in that section.
6. In accordance with section 80-IA, the company can claim, subject to fulfilment of certain conditions, deduction of an amount equal to hundred percent of the profits and gains derived from the business of, development of Infrastructure facilities including construction of roads, bridges, rail systems, highways, irrigation projects, ports etc, for Ten consecutive assessment years out of Twenty years beginning from the year in which the company develops such facility.
7. The amount of tax paid under section 115JB by the company for any assessment year beginning on or after 01st April 2006 will be available as credit for ten years succeeding the assessment year in which MAT credit becomes allowable in accordance with the provisions of section 115JAA of the Act.
8. In case of loss under the head “Profit and Gains from Business or Profession”, it can be set-off with other income under section 71 and the excess loss, if any can be carried forward and set-off against future business income of the next eight assessment years under section 72 of the Act.
9. The unabsorbed depreciation, if any, can be adjusted against any other income and can be carried forward indefinitely for set-off with the income of future years.
10. If the company invests in the equity shares of another company, as per the provisions of section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is subject to securities transaction tax. However such income shall be taken into account in computing the book profit tax payable under section 115JB of the Act.
11. Income received in respect of the units of mutual fund specified under section 10(23D) or income received in respect of units from administrator of the specified undertakings or income received in respect of units from the specified company is exempt from tax in the hands of the company, under section 10(35) of the Act.
12. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not subject to securities transaction tax, held as long term capital assets will be the lower of:
 - a. 20 per cent (plus applicable surcharge and ‘education cess and secondary & higher education cess’) of the capital gains as computed after indexation of the cost. Or
 - b. 10 per cent (plus applicable surcharge and ‘education cess and secondary & higher education cess’) of the capital gains as computed without indexation.
13. In accordance with section 111A, capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is subject to securities transaction tax, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 15% (plus applicable surcharge and ‘education cess and secondary & higher education cess’) and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income.
14. Tax on distributed profits of domestic companies - Section 115-O

The tax rate is 15% (plus applicable surcharge and ‘education cess and secondary & higher education cess’)

Per sub-section (1A) to section 115-O, the domestic company will be allowed to set-off the dividend received from its subsidiary company during the financial year against the dividend distributed by it, while computing the Dividend Distribution Tax (‘DDT’) if:

- the dividend is received from its subsidiary;
- the subsidiary has paid the DDT on the dividend distributed;
- the domestic company is not a subsidiary of any other company.

Provided that the same amount of dividend shall not be taken into account for reduction more than once.

For the purpose of this sub-section a company shall be a subsidiary of another company, if such other company holds more than half in nominal value of the equity share capital of the company.

II. TO THE SHAREHOLDERS OF THE COMPANY

These benefits are available to the shareholders of any company after fulfilling certain conditions as required in the respective Act.

I. Special Tax Benefit to the shareholders

NIL

General Tax Benefits available to all categories of Shareholders

II. Under the Income-tax Act

A. Residents

1. In accordance with section 10(34), dividend income declared, distributed or paid by the company (referred to in section 115-O) will be exempt from tax.
2. Shares of the company held as capital asset for a period of more than twelve months preceding the date of transfer will be treated as a long term capital asset. In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is subject to securities transaction tax including equity shares Offered for Sale under this issue which is subject to securities transaction tax at the time of sale.
3. As per the provision of section 71, if there is a loss under the head “Capital Gains”, it cannot be set-off with the income under any other head. Section 74 provides that the short term capital loss can be set-off against both short term and long term capital gain. But long term capital loss cannot be set-off against short term capital gain. The unabsorbed short term and long term capital loss can be carried forward for next eight assessment years and can be set off against the respective capital gains in subsequent years.
4. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not subject to securities transaction tax, held as long term capital assets will be the lower of:
 - 20 per cent (plus education cess) of the capital gains as computed after indexation of the cost.
 - or
 - 10 per cent (plus education cess) of the capital gains as computed without indexation.

Provided that in the case of an individual or a Hindu undivided family, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long-term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the above rates of tax.

5. In accordance with section 111A, capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is subject to securities transaction tax, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 15% (plus education cess) and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income.

Provided that in the case of an individual or a Hindu undivided family, being a resident, where the total income as reduced by such short-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such short-term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such short-term capital gains shall be computed at the rate of ten per cent.

6. In accordance with section 54EC, long-term capital gains arising on transfer of the shares of the company and on which securities transaction tax is not payable, the tax payable on the capital gains shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long-term specified asset. The long-term specified assets notified for the purpose of investment are bonds of Rural Electrification Corporation Ltd. (REC) and National Highways Authority of India (NHAI). Investment in these specified assets cannot exceed ₹ 50 lakhs during any financial year.

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

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

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

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

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

B. 1. Non-Residents

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

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

4. As per the provisions of section 71, if there is a loss under the head “Capital Gains”, it cannot be set-off with the income under any other head. Section 74 provides that the short term capital loss can be set-off against both short term and long term capital gains. But long term capital loss cannot be set-off against short term capital gains. The unabsorbed short term and long term capital loss can be carried forward for next eight assessment years and can be set off against the respective capital gains in subsequent years.
5. As per the provisions of section 90, the Non Resident shareholder has an option to be governed by the provisions of the Tax Treaty, if they are more beneficial than the domestic law, wherever India has entered into Double Taxation Avoidance Agreement with the relevant country for avoidance of double taxation of income.
6. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not subject to securities transaction tax, held as long term capital assets will be at the rate of 20% (plus applicable surcharge and ‘education cess and secondary & higher education cess’) with the benefit of indexation and at the rate of 10 % (plus applicable surcharge and ‘education cess and secondary & higher education cess’) without the benefit of indexation.
7. In accordance with section 111A, capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is subject to securities transaction tax, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 15% (plus applicable surcharge and ‘education cess and secondary & higher education cess’) and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income.
8. In accordance with section 54EC, long-term capital gains arising on transfer of the shares of the company and on which securities transaction tax is not payable, the tax payable on the capital gains shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long-term specified asset. The long-term specified assets notified for the purpose of investment are bonds of Rural Electrification Corporation Ltd. (REC) and National Highways Authority of India (NHAI). Investment in these specified assets cannot exceed ₹ 50 lakhs during any financial year.

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

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

9. In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the company held by an individual or Hindu Undivided Family and on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years. Such benefit will not be available if the individual or Hindu Undivided Family
 - owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
 - purchases another residential house, other than the new residential house, within a period of one year after the date of transfer of the shares; or
 - constructs another residential house, other than the new residential house, within a period of three years after the date of transfer of the shares;

- the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head “Income from house property”.

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

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

B. 2. Non-Resident Indians

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

1. In accordance with section 115D read with section 115E, income from investment or income from long-term capital gains on transfer of assets other than specified asset shall be taxable at the rate of 20% (plus education cess). Income by way of long term capital gains in respect of a specified asset (as defined in Section 115C(f) of the Act), shall be chargeable at 10% (plus applicable education cess and secondary & higher education cess).
2. In accordance with section 115F, subject to the conditions and to the extent specified therein, long-term capital gains arising from transfer of shares of the company acquired out of convertible foreign exchange, and on which securities transaction tax is not payable, shall be exempt from capital gains tax, if the net consideration is invested within six months of the date of transfer in any specified asset. If only a part of the net consideration is so invested, so much of the capital gain as bears to the whole of the capital gain the same proportion as the cost of acquisition of the new asset bears to the net consideration shall be exempt.
3. In accordance with section 115G, it is not necessary for a Non-Resident Indian to file a return of income under section 139(1), if his total income consists only of investment income earned on shares of the company acquired out of convertible foreign exchange or income by way of long-term capital gains earned on transfer of shares of the company acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the Income-tax Act.
4. Under section 115H of the Act, where a Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer along with his return of income under section 139 for that assessment year to the effect that the provisions of Chapter XIIA shall continue to apply to him in relation to such investment income derived from the specified assets for that assessment year and for every subsequent assessment year until the transfer or conversion into money of such assets.
5. In accordance with section 115-I, where a Non-Resident Indian opts not to be governed by the provisions of Chapter XII-A for any assessment year, his total income for that assessment year (including income arising from investment in the company) will be computed and tax will be charged according to the other provisions of the Income-tax Act.
6. As per the provisions of section 90, the NRI shareholder has an option to be governed by the provisions of the tax treaty, if they are more beneficial than the domestic law wherever India has entered into Double Taxation Avoidance Agreement with the relevant country for avoidance of double taxation of income.
7. In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is subject to securities transaction tax.

8. In accordance with section 10(34), dividend income declared, distributed or paid by the company (referred to in section 115-O) will be exempt from tax.
9. In accordance with section 111A, capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is subject to securities transaction tax, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 15% (plus education cess) and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income.
10. In accordance with section 54EC, long-term capital gains arising on transfer of the shares of the company on which securities transaction tax is not payable, shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long-term specified asset. The long-term specified assets notified for the purpose of investment are bonds of Rural Electrification Corporation Ltd. (REC) and National Highways Authority of India (NHAI). Investment in these specified assets cannot exceed ₹ 50 lakhs during any financial year.

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

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

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

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

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

C) Foreign Institutional Investors (FIIs)

- In accordance with section 10(34), dividend income declared, distributed or paid by the company (referred to in section 115-O) will be exempt from tax in the hands of FIIs.

- In accordance with section 115AD, FIIs will be taxed at 10% (plus applicable surcharge and 'education cess and secondary & higher education cess') on long-term capital gains, and at 15% (plus applicable surcharge and 'education cess and secondary & higher education cess') on short-term capital gains arising on the sale of the shares of the company which is subject to securities transaction tax.
- As per section 90, the provision of Income Tax Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non-Resident.
- In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is subject to securities transaction tax.
- Under section 196D(2) of the Act, no deduction of tax at source will be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD of the Act.
- In accordance with section 54EC, long-term capital gains arising on transfer of the shares of the company on which securities transaction tax is not payable, shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long-term specified asset. The long-term specified assets notified for the purpose of investment are bonds of Rural Electrification Corporation Ltd. (REC) and National Highways Authority of India (NHAI). Investment in these specified assets cannot exceed ₹ 50 lakhs during any financial year.
- If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.
- If the specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified asset is transferred.
- In accordance with section 111A, capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is subject to securities transaction tax, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 15% (plus applicable surcharge and 'education cess and secondary & higher education cess') and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income.

D) Persons carrying on business or profession in shares and securities.

Securities transaction tax paid in respect of taxable securities transaction entered during the course of business will be available as deduction under section 36(1)(xv) while computing the taxable business income.

E) Mutual Funds

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

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

F) Venture Capital Companies / Funds

In accordance with section 10(23FB) any income of a venture capital company or venture capital fund (registered under the Securities and Exchange Board of India Act, 1992 and regulations made there-under and notified in this behalf) from investment in a venture capital undertaking will be exempt from income tax.

(II) Under the Wealth Tax

‘Asset’ as defined under section 2(ea) of the Wealth-tax Act, 1957 does not include shares in companies and hence, these are not liable to wealth-tax.

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Disclaimer: Pursuant to the requirements of the SEBI (ICDR) Regulations, 2009, the discussion on the business of Our Company in this Draft Red Herring Prospectus consists of disclosures pertaining to industry grouping and classification. The industry grouping and classification is based on our Company's own understanding and perception and such understanding and perception could be substantially different or at variance from the views and understanding of third parties. Our Company acknowledges that certain products described in this Draft Red Herring Prospectus could be trademarks, brand names and/ or generic names of products owned by third parties and the reference to such trademarks, brand names and/or generic names in this Draft Red Herring Prospectus is only for the purpose of describing the products. The industry data has been collated from various industry and/or research publications and from information available from the World Wide Web.

OVERVIEW OF THE INDIAN ECONOMY

The average annual growth rate of the economy during 2004 - 05 to 2010-11(advance estimates) is a healthy 8.5 per cent, despite the global economic and financial crisis of 2007-09. The Indian economy is estimated to register robust growth during 2010-11, with growth in Gross Domestic Product (GDP), at factor cost, at constant 2004-05 prices, touching 8.6 per cent. This follows a revised growth of 8.0 per cent in 2009-10 indicating a rapid recovery from the financial crisis. In 2010-11, growth is estimated to be higher and relatively broadbased.

(Source: Press Information Bureau- Report to the People -2011)

THE INDIAN POWER SECTOR



The International Energy Authority predicts that by 2020, 327 GW of power generation capacity will be needed, which would imply an addition of 16 GW per year. This urgent need is reflected in the target the Indian government has set in its 11th Five Year Plan (2007-2012), which envisages an addition of 78.7 GW in this period, 50.5 GW of which is coal.

Over the last 6 years, the installed capacity of the country grew at a CAGR of 5.60% while the total power generated grew at a CAGR of 5.33%. The government has set an ambitious capacity addition target of 78.55 GW to be achieved by 2012.

POWER GENERATION IN INDIA- SECTOR & FUEL WISE

Sector	MW	%age	Fuel	MW	%age
State Sector	82452.58	47.28	Thermal (Coal 54.28% Gas 10.15% & Oil 0.68%)	113559.48	65.12
Central Sector	54412.63	31.20	Hydro 21.54% & Nuclear 2.74%	37567.40	24.28
Private Sector	37496.19	21.50	Other Renewables	18454.52	10.58
	174361.40			174361.40	

(Source: http://www.powermin.nic.in/JSP_SERVLETS/internal.jsp#)

SUPPLY AND DEMAND FOR ELECTRICITY IN INDIA

Since the 1980's, India has been facing an imbalance with respect to its energy requirements. The demand for energy, particularly commercial energy, has been growing rapidly in India along with the growth of the economy, changes in the demographic structure, rising urbanization, socio-economic

development and the desire for attaining and sustaining self-reliance in some sectors of the economy. Industrial production alone grew at a rate of 5.2% in 2009 according to the CIA Factbook. India faces significant challenges in meeting its energy needs in a sustainable manner and at competitive prices. Primary energy requirements grew at an average annual growth rate of 3.7% between FY91 and FY07, with the primary commercial energy requirement growing at an average annual growth rate of 4.9% during the same period. (Source: Planning Commission, Government of India, Eleventh Five Year Plan) According to provisional figures in the CEA's Monthly Review of the Power Sector for June 2010, the monthly national power supply deficit was at 9.4%, with the monthly national peak power deficit at 12.7%. As set forth in the actual power supply position chart below, the peak power deficit averaged 12.8% from FY2003-FY2009.

Period	Peak Demand	Peak Met (MW)	Peak Deficit/Surplus (MW)	Peak Deficit / Surplus (%)
FY 2003	81492	71547	9945	12.2
FY 2004	84574	75066	9508	11.2
FY 2005	87906	77652	10254	11.7
FY 2006	93255	81792	11463	12.3
FY 2007	100715	86818	13897	13.8
FY 2008	108866	90793	18073	16.6
FY 2009	109809	96885	13124	12
April 2009 – March 2010	109809	96885	15748	13.3

To deliver a sustained economic growth rate of 8.0% through 2031-2032 and to meet the “lifeline energy” needs of all its citizens, India needs, at the least, to increase its primary energy supply by 3 to 4 times and its electricity generation capacity by 5 to 6 times based on FY2004 levels. With FY2004 as a baseline, India's commercial energy supply would need to grow from 5.2% to 6.1% per annum while its total primary energy supply would need to grow at 4.3% to 5.1% annually. By FY2032, power generation capacity must increase to around 800,000 MW from FY2004 capacity of around 160,000 MW inclusive of all captive plants.

(Source: Planning Commission, Integrated Energy Policy Report of the Expert Committee, August 2006)

The Government of India's planned growth during the Eleventh Plan cannot be accomplished without a significant increase in the availability of energy. The following chart sets forth the GoI's capacity addition plans for the Eleventh Plan.

	Hydro (MW)	Thermal (MW)	Nuclear (MW)	Wind and Renewables (MW)	Total (MW)
Installed capacity as at March 31, 2007	34,653.77	86,014.84	3,900.00	7,760.60	132,329.21
Addition during Eleventh Plan	16,553.00	586,44.00	3,380.00	14,000.00	92,577.00
Total Capacity anticipated as at March 31, 2012	51,206.77	144,658.84	7,280.00	21,760.60	224,906.21

(Source: Power Scenario at a Glance, April 2010 (CEA))

RENEWABLE ENERGY SOURCES

Power from renewable energy sources such as wind, biomass, small hydro and solar energy is being generated in grid-interactive and off-grid modes for meeting the electricity requirements in different locations across the country.

Renewable Energy Source	2002-2003	2006-2007	2009-2010	CAGR
Wind power (MW)	1,507	6,270	10,891	32.7
Small hydro power (MW)	1,406	1,905	2,520	8.7
Biomass (MW)	394	1,102	2,125	27.2
Solar Power (MW)	1.2	2.7	6.0	26.3
Total (MW)	3,308	9,280	15,542	25
Renewable power capacities as % of total generation capacities	1.5	5.9	10.0	
Renewable power as % of total generation (E)	1.4	2.3	5.6	

(Source: www.mnre.gov.in/annualreport/2009-10)

GLOBAL SCENARIO

From an emerging fuel source twenty years ago, wind energy has mushroomed into a mature and booming global business. Generation costs have fallen dramatically over the last 15 years, moving closer to the cost of conventional energy sources. Modern wind turbines have improved dramatically in their power rating, efficiency and reliability.

The annual market grew a staggering 41.5% compared to 2008. More than 38 GW of new wind power capacity was installed around the world in 2009, bringing the total installed capacity up to 158.5 GW. This represents a year-on-year growth of 31.7%. A third of these additions were made in China, which doubled its installed capacity yet again. Wind energy is now an important player in the world's energy markets. The 2009 market for turbine installations was worth about 45 bn € or 63 bn US\$ and GWEC estimates that about half a million people are now employed by the wind industry around the world.

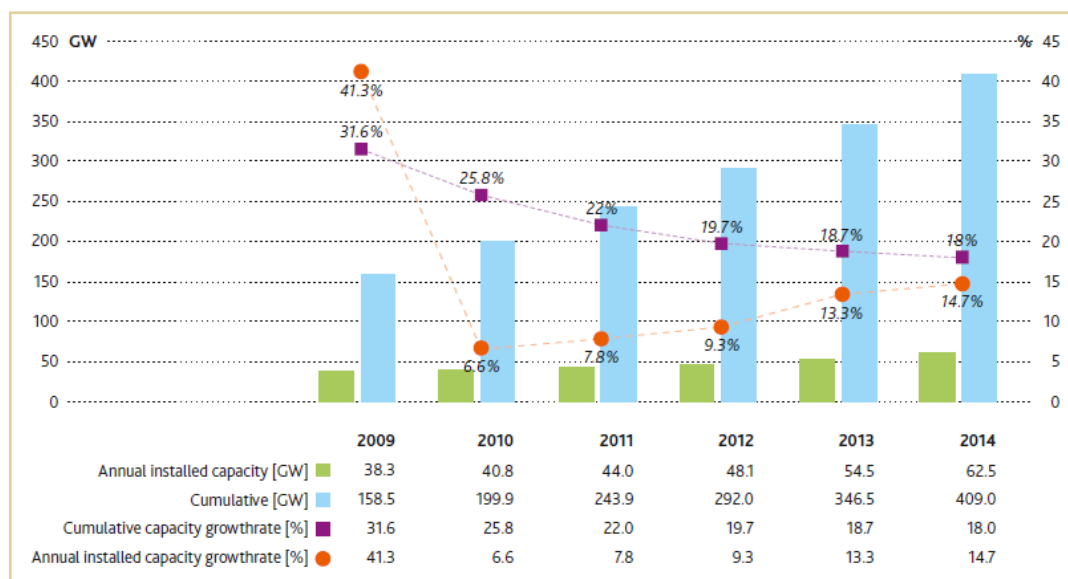
Wind energy is the only power generation technology that can deliver the necessary cuts in CO₂ in the critical period up to 2020, when greenhouse gases must peak and begin to decline to avoid dangerous climate change. The 120.8 GW of global wind capacity will produce 260 TWh and save 158 million tons of CO₂ every year.

India also continued growing its wind market with 1.3 GW of new installed capacity, bringing its total up to 10.9 GW. The leading wind power state remains Tamil Nadu with 4.3 GW installed, followed by Maharashtra and Karnataka. With the introduction of a national Generation Based Incentive at the end of 2009, and a real push by the government to support renewable energy development, substantial growth is expected in the near future, and the industry forecasts additions of at least 2.2 GW for 2010. Other Asian countries with new capacity additions in 2009 include Japan (178 MW, taking the total to 2.1 GW), South Korea (112 MW for a total of 348 MW) and Taiwan (78 MW for a total of 436 MW).

MARKET FORECAST FOR 2010- 2014

GWEC predicts that in 2014, five years from now, global wind capacity will stand at 409 GW, up from 158 GW at the end of 2008. During 2014, 62.5 GW of new capacity will be added to the global total, compared to 38.3 GW in 2009. The annual growth rates during this period will average 20.9% in terms of total installed capacity, and 10.3% for annual market growth. These rates are modest compared to past developments: in the last ten years, we have seen an average increase of over 28% for both total and annual capacity additions.

MARKET FORECAST 2010-2014



Sustained growth is expected in India, which will increase its capacity steadily by 2 GW every year, and be complemented by growth in other Asian markets, including Japan, Taiwan, South Korea and the Philippines, and potentially some others. For Asia as a whole, the annual market is expected to nearly double in the next five years, reaching 27 GW by 2014, which translates into 109 GW of new wind capacity to be installed in the region in five years – far more than in any other region of the world. In 2014, Asia is expected to overtake Europe as the region with the largest total installed capacity, with a cumulative 148.8 GW of wind generation.

WIND POTENTIAL

The total potential for wind power in India was first estimated by the Centre for Wind Energy Technology (C-WET) at around 45 GW, and was recently increased to 48.5 GW, and adopted by the government as the official estimate. The C-WET commissioned a comprehensive wind mapping exercise, and based on the study C-WET has published the Indian Wind Atlas which includes measurements in 9 states and the wind measurements were carried out at relatively low hub heights (50 m). At greater heights, the Indian Wind Turbine Manufacturers Association (IWTMA) estimates that the potential is around 65-70 GW, and World Institute for Sustainable Energy, India (WISE) considers that with larger turbines, greater land availability and expanded resource exploration, the potential could be as big as 100 GW.

STEADY MARKET GROWTH FOR WIND

Wind energy has today emerged as the most promising renewable energy technology for generating grid connected power amongst various renewable energy sources. The Indian wind power programme covers survey and assessment of wind resource, facilitation and implementation of demonstration and private sector projects through various fiscal and promotional policies. A total capacity of 13,184 MW has been established up to January, 2011 in the country. India is now the fifth largest wind power producer in the world, after USA, Germany, China and Spain.

THE DEVELOPMENT OF A DOMESTIC INDUSTRY AND FOREIGN INVESTMENT

India has a solid domestic manufacturing base, including global leader Suzlon with a 50% market share, as well as Vestas. In addition, international companies have set up production facilities in India, including Enercon, and GE and new entrants like Gamesa, Siemens, WinWinD, Regen, Leitner Shriram and others manufacturing MW class machines. Overall, 16 companies now manufacture wind turbines in India, with an annual production capacity of 3,000-3,500 MW. Greater stability in the

Indian market has also stimulated a stronger domestic manufacturing sector; some foreign companies now source more than 80% of the components for their turbines in India.

Sl.No.	States	Potential	Capacity installed during 2010-11 (Upto Jan. 2011)	Cummulative capacity upto Jan 2011
1.	Andhra Pradesh	8968	44.80	180.90
2.	Gujarat	10645	172.18	2035.81
3.	Karnataka	11531	121.30	1594.10
4.	Kerala	1171	0	27.75
5.	Madhya Pradesh	1019	7.80	237.20
6.	Maharashtra	4584	125.05	2202.80
7.	Rajasthan	4858	292.70	1381.00
8.	Tamil Nadu	5530	613.00	5519.72
9.	Others	255	0	4.30
	Total	48561	1376.83	13183.58

(Source: www.mnre.gov.in/annualreport/2010-11)

OVERVIEW OF SOLAR PV INDUSTRY IN INDIA



India's solar industry has got off to a successful start this year, with a large number of power purchase agreements (PPAs) having been signed. However, bankability continues to be an issue. The report, issued by Bridge to India, states that 1,637.5 megawatts (MW) worth of PPAs have been signed in India this year: this is up from "a paltry" 24 MW in 2010. Of these 1,637.5 MW, 620 MW fall under the National Solar Mission (NSM), 84 MW under the Migration Scheme and 933.5 MW under the

Gujarat policy. The desert state of Rajasthan has also been identified as a "new riser". The report explains that it currently has a draft solar policy, which aims to install between 10,000 and 12,000 MW of solar over the next ten years. It says that the first phase will comprise 200 MW, while the second will see 400 MW installed. A tariff based on competitive bidding will be used. In terms of the PPAs signed, Rajasthan has 11 projects worth 66 MW under the NSM migration scheme, 26 projects worth 505 MW under the NSM's first phase and two five MW photovoltaic plants under the old Generation Based Incentive scheme (GBI) by the Ministry of New and Renewable Energy.

(Source: http://www.pv-magazine.com/news/details/_beitrag/indian-solar-industry-off-to-a-successful-2011--but-bankability-issues-exist_100002687/8/)

SOLAR CELLS AND SOLAR PV PRODUCTION

According to data from MNRE, during 2008-09, 15 companies were actively engaged in the manufacture of solar cells and 20 companies in the manufacture of PV modules. In addition, about 50 companies were actively engaged in manufacturing a variety of PV systems. The overall production in the country during 2008-09 is estimated to be over 175 MWp of solar cells and 240 MWp of PV modules. Over the years, the cumulative production of solar PV in India has been about 800 MW.

SOLAR PV APPLICATIONS IN INDIA

The range of applications for solar PV in India is very different from the global mix. Globally, grid connectivity accounts for nearly 75% of the installed capacity and off-grid lighting and consumer applications for the balance 25%. Currently, PV installations in India, almost entirely consist of offgrid connectivity and small capacity applications, used mostly for public lighting, such as street lighting, traffic lighting, and domestic power back up in urban areas and small electrification systems and solar lanterns in the rural areas. In recent years, it is also being used for powering water pumps for farming

and small industrial areas. Government organizations like railways, telecom and other agencies are the major consumers of PV solar systems in India.

The typical applications of solar PV systems are:

Product	Rating
Solar lanterns	2.5 – 5 Wp
Solar PV for individuals households	2 – 15 Wp
SPV blinkers	20 Wp
Solar home lighting system	18/37/74 Wp
Solar street lighting systems	74 Wp
Traffic signals	Up to 100 Wp
Solar power plants for villages	1-5 KWp

Source: MNRE

COST OF POWER FROM SOLAR PV IN INDIA

CERC recently estimated cost of power generation for solar PV plants to determine the tariff. For tariff determination, the capital cost of the plant is assumed at about Rs 17 Cr per MW (including cost of BoP, etc). The useful life of the plant is considered to be 25 years with capacity utilization factor of 19%. It is estimated that per MW about 1.66 million units of electricity will be produced in a year. Based on CERC workings on determining tariff for solar plants for year 2009-10, the cost of power generation from a solar PV plant is about Rs 23.78 per kWh for first year of operation which is likely to reduce to Rs 14.74 per kWh by end of 10th operating year and to Rs 11 per kWh by 25th year of operation. The cost estimation is based on debt equity ratio of 70:30 for the project and with IRR of 19% for first 10 years. CERC tariff for year 2010-11 is under finalization. Currently, there are about 4 solar PV plants where CERC tariffs have been implemented. This includes the new plants inaugurated in states of Punjab, Karnataka and West Bengal.

CHALLENGES FACING THE SOLAR PV INDUSTRY IN INDIA

The lack of domestic base for raw material, technology, skill set and poor demand are the key challenges for the growth and development of the solar PV industry. There is no manufacturing base in India for the basic raw material - silicon wafers. The industry hence relies on international markets to source the raw material. The silicon market has been highly fluctuating in the past, leading to imbalance in demand supply equation, fluctuating prices and availability of raw material. Currently, the silicon production capacity is much higher than the demand and prices are at significantly low levels compared to the scenario a year back. In the past, some of the solar PV firms have entered into rate contracts with silicon wafer suppliers to ensure availability. With a sudden reduction in prices, the contracts now prove to be a loss making proposition for these firms.

Tax and duty structure

Taxes on local sales and duty free imports are creating price disparity between the Indian and international firms. This makes importing solar cells more economical for Indian module manufacturers, rather than buying from the Indian cell producers. The inverted duty structure imposes a duty of 12.8% on imports on inputs to manufacture cells / modules locally in India, while completely built modules attract nil duty. The import duty applicable on inverters is even higher, at about 21.5%. The Indian industry is based on least “know-how” stage in entire value chain. The value addition in manufacture of solar products is low in India, which accordingly also affects the price realization.

Lack of Infrastructure

The infrastructure in India lacks the support ecosystem required for solar PV manufacturing. Continuous power supply, water supply and utilities play a critical role for solar PV manufacturing. The industry needs special manufacturing zones where all the infrastructure requirements are met that promote solar PV production in India

STRENGTHS OF SOLAR PV INDUSTRY IN INDIA

Even though the industry operates at a smaller scale as compared to other solar PV producing nations, production in India is very cost effective as compared to global standards. The price competitiveness of Indian industry makes it a preferred vendor for end users in countries like Germany and Spain. This is despite the fact that India is importing all the raw material and offering only conversion services in India.

Availability of technical manpower is very critical for solar PV industry. The trend in the PV manufacturing sector is to go in for higher degrees of automation. However, plants are normally designed for three shift (24/7) operation calling for substantial requirement of trained manpower. Estimated direct manpower requirement for crystalline silicon technology is typically 90 technical persons for a plant of nominal capacity 50 MWp/year (wafers-to-modules) and for Thin Film technologies of similar capacity it is around 45 persons. India scores over other solar PV producing nations due to abundant availability of technical and skilled manpower. With Government initiatives in place to support and develop infrastructure for solar PV production (refer to solar cities and SIPS scheme) and JNNSM to promote application of solar PV in domestic market, the Indian solar PV industry is likely to gain further edge over other solar PV producing nations.

(Source: Solar PV Industry 2010: Contemporary scenario and emerging trends, May 2010)

JAWAHARLAL NEHRU NATIONAL SOLAR MISSION

The objective of the Solar Mission is to establish India as a global leader in solar energy, by creating the policy conditions for its diffusion across the country as quickly as possible. The Solar Mission will adopt a three phase approach, spanning the remaining period of the 11th Plan and first year of the 12th Plan (i.e., up to 2012-2013) as Phase 1, the remaining 4 years of the 12th Plan (i.e., 2013-2017) as Phase 2 and the 13th Plan (2017-2022) as Phase 3. At the end of each plan, and mid-term during the 12th and 13th Plans, there will be an evaluation of progress, review of capacity and targets for subsequent phases, based on emerging cost and technology trends, both domestic and global. The aim would be to protect Government from subsidy exposure in case expected cost reduction does not materialize or is more rapid than expected.

To achieve this, the Mission targets are:

1. To create an enabling policy framework for the deployment of 20,000 MW of solar power by 2022;
2. To ramp up capacity of grid-connected solar power generation to 1,000 MW within three years – by 2013, an additional 3000 MW by 2017 through the mandatory use of the renewable purchase obligation by utilities backed with a preferential tariff;
3. To create favourable conditions for solar manufacturing capability, particularly solar thermal for indigenous production and market leadership;
4. To promote programmes for off grid applications, reaching 1,000 MW by 2017 and 2,000 MW by 2022;
5. To achieve 15 million square meters solar thermal collector area by 2017 and 20 million by 2022; and
6. To deploy 20 million solar lighting systems for rural areas by 2022.

(Source: The Jawaharlal Nehru National Solar Mission; available at mnes.nic.in/pdf/mission-document-JNNSM.pdf as on January 9, 2010)

One of the strategies to achieve these targets will be to innovate, expand and disseminate manufacturing capabilities. Currently, the bulk of India's Solar PV industry is dependent on imports of critical raw materials and components – including silicon wafers. Transforming India into a solar energy hub would include a leadership role in low-cost, high quality solar manufacturing, including

balance of system components. Proactive implementation of the “Special Incentive Package Scheme” of 2007 notified by the Government of India, to promote PV manufacturing plants, including domestic manufacture of silicon material, would be necessary.

IMPORTANCE AND RELEVANCE OF SOLAR ENERGY IN INDIA

Cost: The objective of the Solar Mission is to create conditions, through rapid scale up of capacity and technological innovation to drive down costs towards grid parity. The mission anticipates achieving grid parity by 2022 and parity with coal based thermal power by 2030.

Scalability: India is endowed with vast solar energy potential. About 5,000 trillion kWh per year energy is incident over India’s land area with most parts receiving 4-7 kWh per square meters per day. Hence, both technology routes for conversion of solar radiation into heat and electricity, namely solar thermal and solar photo-voltaic can effectively be harnessed providing huge scalability for solar in India.

Environmental Impact: Solar Energy is environmentally friendly as it has zero emissions while generating electricity or heat.

Security of Source: From an energy security perspective, solar is the most secure of all sources, since it is abundantly available. Theoretically, a small fraction of the total incident solar energy (if captured effectively) can meet the entire country’s power requirements.

The Solar Mission talks about a multi-pronged strategy to meet the objectives laid down therein.

The key components of the strategy include:

Utility Connected applications: Constructing the solar grid: The key driver promoting solar power would be through a “renewable purchase obligation” mandated by power utilities with a specific solar component. This will drive utility scale power generation, whether solar PV or solar thermal. The solar purchase obligation will be gradually increased while the tariff fixed for “solar purchase” will decline over time.

The below 80° C Challenge – solar collectors:

The Solar Mission in its first two phases will promote solar heating systems. The mission is setting an ambitious target for ensuring that applications, domestic and industrial, below 80° C are made solar enabled.

The off-grid opportunity:

A key opportunity for solar power lies in decentralized and off-grid applications. In remote and far-flung areas where grid penetration is neither feasible nor cost effective, solar energy applications are cost effective.

They ensure that people with no access, currently, to light and power, move directly to solar, leap-frogging the fossil fuel trajectory of growth. The mission plans to provide solar lighting systems under the ongoing remote village electrification programme of the MNRE to cover about 10,000 villages and hamlets.

Solar energy to power computers to assist learning in schools hostels, management information systems to assist better management of forests in the state of Madhya Pradesh, powering milk chilling plants in Gujarat, empowering women ‘self help groups’ involved in ‘tussar’ reeling in Jharkhand, cold chain management for ‘primary health centres’ are some examples of new areas, being tried successfully in the country.

Manufacturing capabilities: Innovate, expand and disseminate:

Currently, the bulk of India’s solar PV industry is dependent on imports of critical raw materials and components – including silicon wafers. Transforming India into a solar energy hub would include a

leadership role in low-cost, high quality solar manufacturing, including balance of system components. Proactive implementation of ‘Special Incentive Package Policy’ to promote PV manufacturing plants, including domestic manufacture of silicon material would be necessary.

R&D for Solar India:

To improve efficiencies in existing materials, devices and applications and on reducing costs of balance of systems and to develop cost effective storage technologies which would address both viability and storage constraints.

Proposed Roadmap:

S. No.	Application Segment	Target for Phase I (2010-13)	Target for Phase II (2013-17)	Target for Phase III (2017-22)
1	Solar collectors (million square meters)	7	15	20
2.	Off-grid solar applications (MW)	200	1,000	2,000
3.	Utility grid power, including roof-top	1,000-2,000	4,000-10,000	20,000

Source: Jawaharlal Nehru National Solar Mission; available at mnes.nic.in/pdf/mission-document-JNNSM.pdf, as on January 9, 2010

The National Tariff Policy, 2006 would be modified to mandate that the state electricity regulators fix a percentage for purchase of solar power. The solar power purchase obligation for states may start with 0.25% in the Phase I and to go up to 3% by 2022.

The Central Electricity Regulatory Commission (“CERC”) has recently issued guidelines for fixing feed-in-tariff for purchase of solar power taking into account current cost and technology trends. These will be revised on an annual basis. The CERC has also stipulated that the power purchase agreement (“PPA”) that utilities will conclude with the solar power promoters, should be for a period of 25 years.

In order to enable the early launch of “Solar India” and encourage rapid scale up, a scheme is being introduced in cooperation with the Ministry of Power, NTPC Limited and the Central Electricity Authority, which would simplify the off-take of solar power and minimize the financial burden on government. Under the Solar Mission, a normative ‘generation based’ incentive will be payable to the utility and would be derived as the difference between the solar tariff determined by the CERC for the concerned solar generation technology less an assumed base price of ₹ 5.50/ kWh with 3% annual escalation. Funds will be disbursed through the Indian Renewable Energy Development Agency, a public sector undertaking under the MNRE. State governments would also be encouraged to promote and establish ‘solar generation parks’ with dedicated infrastructure for setting up utility scale plants to ensure ease of capacity creation.

It is also recommended the custom duties and excise duties concessions/ exemptions be made available on specific capital equipment, critical materials, components and project imports. One of the objectives of the Solar Mission is to take a global leadership role in solar manufacturing (across the value chain) of leading solar technologies and target a 4-5 GW equivalent of installed capacity by 2020, including setting up of dedicated manufacturing capacities for poly silicon material to annually make about 2 GW capacity of solar cells. India already has PV module manufacturing capacity of about 700 MW which is expected to increase in the next few years.

To ensure the achievement of the installed capacity target the mission recommends the following:

- Local demand creation
- Financing and incentives like:
 - Zero import duty
 - Low interest rate,
 - Priority sector lending
 - Incentives under the Special Incentive Package Policy
 - Components to cover under Bureau of Energy Efficiency to ensure high standards

- Ease of doing business
- Infrastructure and ecosystem enablers
- Financing of the Solar Mission activities will be done through:
 - Budgetary support for the activities under the National Mission established under the MNRE;
 - International funds under the UNFCCC framework, which would enable up-scaling of the Solar
- Mission targets.

CERC Policy for Solar Farms

On September 16, 2009, CERC came out with the Central Electricity Regulatory Commission (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2009 (the “**CERC Tariff Regulations**”). The CERC Tariff Regulations lay down the normative parameters for determination of tariff for renewable energy sources. The key features of the CERC Tariff Regulations from solar PV perspective are:

The tariff period for solar PV defined as 25 years

- Normative debt-equity ratio of 70:30;
- Normative return on equity (“RoE”):
 - Pre-tax 19% p.a for first 10 years; and
 - Pre-tax 24% p.a 11th year onwards.

A 25 year firm PPA with attractive RoE is expected to make the solar farm business in India lucrative to many players and give the industry the growth that the Solar Mission proposes to give. As per the template form for Solar (PV), the leveled tariff for Solar PV based on normative numbers laid in the regulation works out to ₹ 18.44/ kWh.

OUR BUSINESS

We are an independent renewable energy-based power generation company focused on developing, owning and operating alternate sources of energy producing assets. Our Company has wind energy power projects at Tamil Nadu and Karnataka. We are also focusing on the development and operating solar power generating plants at Tamil Nadu and Gujarat with a capacity of 5 MW each. We are also doing agriculture including organic farming in excess wind farm land and exclusive farmlands acquired.

OUR WIND ENERGY BUSINESS

Our Company started commercial generation of wind energy in the year 2007 with capacity of 1 MW. As a part of our business strategy, we increased our installed capacity for generating wind energy. As on March 31, 2011 our installed wind mill capacity stood at 11.40 MW. Our operating wind farms are located in the States of TamilNadu & Karnataka, which are among the top Indian states with the highest wind potential (source: www.mnre.gov.in/annualreport/2010_11_English/index.htm)

The power generated from our wind farms are sold for captive purpose to Corporates, TANGEDCO and BESCOM. As a corporate policy and business strategy the power produced from the Wind Electric Generators (“WEGs”) owned by us are sold through our Group Companies, Indowind Energy Limited and Indowind Power Private Limited who enter into Power Purchase Agreements with the respective consumers. Our captive consumers are large power consumers who need reliable power supply and also look at improving their corporate social responsibility by consuming green power.

As per the order no. 3 dated May 15, 2006 of the Tamilnadu Electricity Regulatory Commission (“TNERC Rules”) prevailing in the State of Tamilnadu, power generation companies can sell power only to the EBs or under Group captive Scheme to Company/ies who together own at least 26% of the Share Capital of the Company. In order to get better realization, our Company has entered into a PPA with Prince Foundations Limited for sale of power.

Operations & Maintenance (“O&M”)

We have a dedicated team for performing the O&M at the site for all the windmills. Our team carries out preventive maintenance during off-season and undertakes break down repairs of WEGs in case of any contingencies to enable the WEGs perform for maximum power generation.

Suppliers / Contractors

Our wind farms are acquired from third parties as running projects consisting of windmills manufactured by Suzlon, NEG Micon, AMTL, CWEL, and AWT. For major repairs & replacement of spares etc., we use the services of our Group Companies, Indowind Energy Limited and Indowind Power Private Limited or other local suppliers & contractors on need basis.

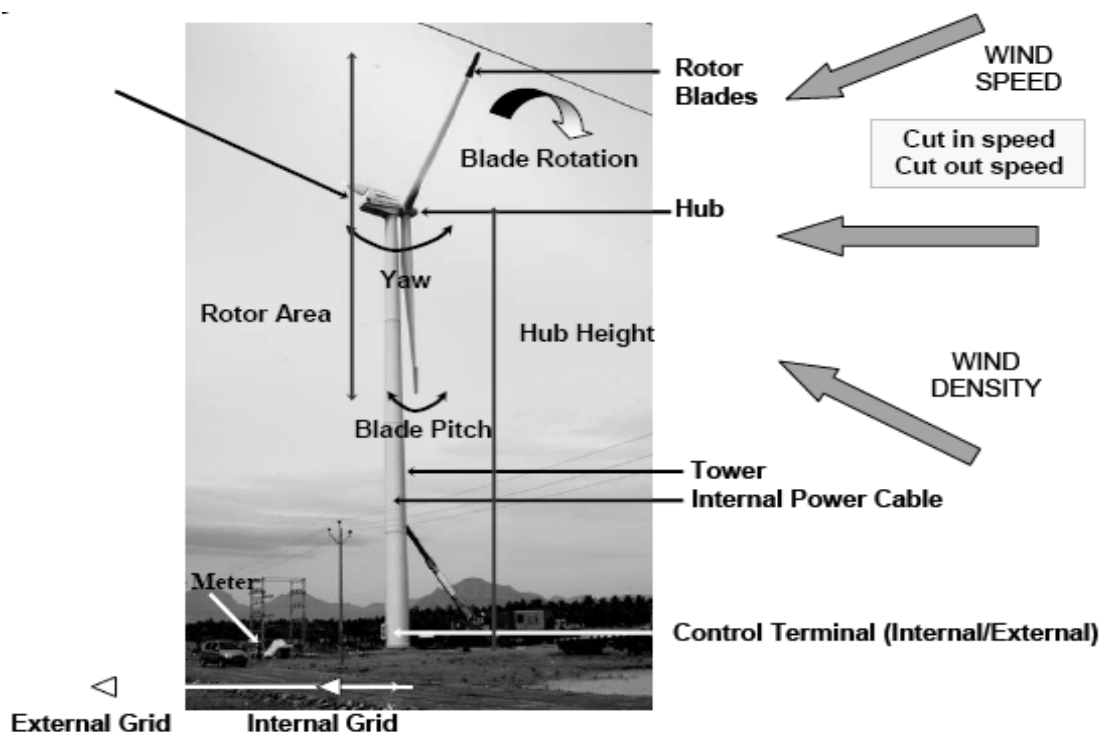
WIND FARMS

The generation of electricity from wind energy in real sense, started only from the beginning of this century and with the growing interest reached to the stage of cost effectiveness, employing feasible light weight blades, improved ailerons, teetering attachment, direct drive transmission, increased height, aerodynamic tower & blade designs, advanced electronic control etc. The power producing windmill incorporating all these features are now popularly called the WEGs. At windy sites the WEGs are generally installed in a cluster and are connected to the electric grid through suitable transformers and switch gears. Such development of WEGs in a cluster, generating electricity from wind, is commonly known as ‘Wind farms or Wind Parks’. So the Wind farm at any given site may have a number of wind electric generators with uniform or non-uniform designs or of different or same capacities. Wind power projects consist of a cluster of Wind Electric Generators / Wind Turbines / Wind Energy Converters erected and connected together to electrical grid at a site.

TECHNOLOGY AND PROCESS

With the help of the energy of the wind, wind turbine rotates the generator and produces the electricity. This production of the electricity is mainly dependent on the velocity of the wind. Only higher wind velocity throughout the year makes the wind energy project viable. The state of art technology of wind turbine generator converts the kinetic energy of the wind into mechanical energy. The kinetic energy of wind is transferred through blades of wind generator into mechanical energy and drives the shaft of the generator. This mechanism transfers the rotary movement to the generator through gears and mechanical energy is converted into the electrical energy. The electrical energy is then supplied into the grid after stepping-up to a required electrical voltage.

The wind turbine system consisting of blades, shafts, gears and generator, is controlled by the sophisticated computer controlled system installed at the base of the tower, which also have sensors to sense the wind speed and its directions to switch on and off the wind turbine generator.



OUR SOLAR ENERGY BUSINESS

Gujarat is the first State in India which has announced a viable feed-in-tariff of ₹ 15 per unit for 12 years and ₹ 5 per unit for the balance 13 years enabling a 25 year PPA to be signed for solar projects being set up in the State of Gujarat. Under the Vibrant Gujarat Policy, 2009 Government of Gujarat has allotted around 970 MW capacity of solar projects in two phases which are expected to be operational by 2012-13. The next phase of allotment is awaited where all the companies whose expression of interest for setting up solar power plant were registered by issuing certificate of registration signed during Vibrant Gujarat 2011 summit would be eligible for allotment.

As a part of our business strategy our Company is now venturing into the generation of power through solar energy, which is eco friendly. We are planning to set up 25 MW of solar power projects in Gujarat. These projects are proposed to be set in more than two phases. The total land required for 25 MW is approximately 100 acres and our Company has identified 100 acres of contiguous land in Nanichandur village, Sami Taluk, Patan district in Gujarat.

Out of the above 100 acres, our Company has already purchased 20.12 acres of land from the vendors for setting up 5MW of solar power project in the first phase and the Deeds of Conveyance for the same have been executed and lodged for Registration with the concerned authority.

Further, our Group Companies, Bekae Properties Pvt. Ltd. and Ravello Advertising Pvt. Ltd. have purchased approximately 20.17 acres and 16.12 acres of land respectively and the Deeds of Conveyance have been executed and lodged for Registration with the concerned authority. Our Company has entered into an MOU with Bekae Properties Pvt. Ltd and Ravello Advertising Pvt. Ltd. for taking the land on lease for setting up solar power projects in the next phase.

In respect of the balance 44 acres of land, some of our Group Companies are in the process of purchasing the same from the vendors. After the land is purchased and registration of the Deed of Conveyance for the same are lodged for registration/registered, our Company proposes to enter into an MOU/Lease Agreement with the concerned Group Companies for setting the solar power projects in third and fourth phases.

Phase I (5MW) Solar Power Project

We have applied and have registered our Expression of Interest vide a certificate of Registration dated January 13, 2011 in the Vibrant Gujarat Summit, 2011 for allotment of upto 10 MW capacity In Phase I we propose to set up a 5MW solar power plant for which the land has been already acquired and we have entered into an agreement dated October 06, 2010 appointing PLG Power Limited as the EPC contractor. The cost of project as estimated by PLG Power Limited for setting up a 5MW solar power plant is ₹ 9,000 Lakhs which is proposed to be met fully from the proceeds of this Issue. For details on the cost of project please refer to Chapter titled “*Objects of the Issue*” beginning on page 65 of this DRHP.

TECHNOLOGY AND PROCESS

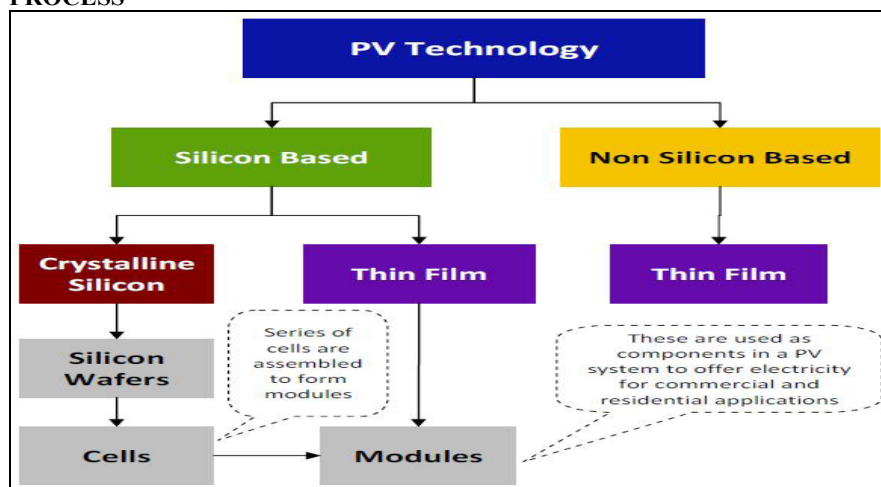
TECHNOLOGY

Solar energy can be converted to electricity in two ways:

Photovoltaic (“PV devices” or “solar cells”) change sunlight directly into electricity. Individual PV cells are grouped into panels and arrays of panels that can be used in a wide range of applications ranging from single small cells that charge calculator and watch batteries, to systems that power single homes, to large power plants covering many acres.

Concentrating Solar Power Plants generate electricity by using the heat from solar thermal collectors to heat a fluid which produces steam that is used to power the generator.

PROCESS



PHOTOVOLTAIC (PVs) SYSTEM

Photovoltaic system consists of three major components:

- Photovoltaic cells made of semiconductors which are made from silicon or other materials.,
- other components usually referred to as "balance of system" (BOS) components and
- structures made of steel

Photovoltaic (PVs) convert sunlight directly into electricity, using semiconductors made from silicon or other materials. A photovoltaic (PV) or solar cell is the basic building block of a PV (or solar electric) system. An individual PV cell is usually quite small, typically producing about 1 or 2 watts of power. To boost the power output of several PV cells are connected together to form larger units called modules. Several such modules are connected to form even larger units called arrays. Several such arrays are interconnected to produce more power.

Arrays of modules are mounted on structure made of steel arrays of modules are mounted towards the sun to absorb the sun rays. When the sunlight falls on the arrays of modules the semiconductors in the PV modules converts the sun light directly into electricity. The power so generated is transmitted to the grid and can also be stored in batteries for later use.

PV systems can be designed to meet electrical requirements, no matter how large or small. PV systems can be classified into two general categories: flat-plate systems or concentrator systems.

Photovoltaic solar cell modules transform solar energy into DC electricity. DC electrical current generated will be channeled through an inverter (energy regulator) which turn it into an AC power flow, and also automatically adjust the entire system. AC power will be distributed through an indoor distribution panel that will flow as needed for electrical appliances.

OUR FARMING BUSINESS

In addition to our wind energy and solar energy business, our Company is also into farming. Our farming business, at present in a very nascent stage, aims at cultivating the land and raising crops in such a way, as to keep the soil alive and in good health by use of organic wastes (crop, animal and farm wastes, aquatic wastes) and other biological materials along with beneficial microbes (bio fertilizers) to release nutrients to crops for increased sustainable production in an eco friendly pollution free environment. Presently, our Company carries out organic farming at four locations namely, Periakulam, Keelaveeranam, Ayakudi and Aralvaimozhi all of them located in the state of Tamil Nadu.

The details of the same is given in table below:

Name	Total Site Area (In acres)	Total Area under Farming (In acres)
Periyakulam, Tamil Nadu \$	37.03	37.03
Keelaveeranam, Tamil Nadu	73.75	73.75
Ayakudi, Tamil Nadu	18.00	18.00
Aralvaimozhi, Tamil Nadu	6.50	6.50

\$ Our management is planning to sell off the mango plantation at Periyakulam and is negotiating with a prospective buyer. The deal may be concluded shortly after which the Sale will be registered.

The variety under cultivation is as under:

Variety	Keelaveeranam (acres)	Ayakudi (acres)	Aralvaimozhi (acres)	Periyakulam (acres)
Amla	34	8	1.5	0
Mango	16	8	0	37.03
Coconut	6	2	0	0

Banana	2	0	0	0
Lime	6.25	0	0	0
Sappota	2.5	0	0	0
Paddy	7	0	0	0
Orange	0	0	5	0
Total	73.75	18	6.5	37.03

Out of the developed land at Keelaveeranam, Ayakudi and Aralvaimozhi, 66 acres, 2 acres and 15 acres respectively are under drip irrigation.

Advantages of Organic Farming

Our Company believes that organic farming provides long-term benefits to people and the environment. Organic farming aims to:

- Increase long-term soil fertility.
- Control pests and diseases without harming the environment.
- Ensure that water stays clean and safe.
- Use resources which the farmer already has, so the farmer needs less money to buy farm inputs.
- Produce nutritious food, feed for animals and high quality crops to sell at a good price
- Salient Financial Performance.

The total income of our Company has grown from 33.14 Lakhs in FY 07 to ₹ 887.32 Lakhs in FY 11 at a CAGR of 127.47%. The Profit after tax of our Company has grown from ₹ 5.32 Lakhs in FY 07 to ₹ 92.28 Lakhs in FY 11 at a CAGR of 104.08%.

OUR BUSINESS STRATEGY

- *Strengthen our position as providers of power from alternate sources of energy*

Our Company intends to strengthen and expand our business and market share through implementation of solar projects. As per our current strategy, we propose to increase our aggregate installed capacity of solar projects by 10 MW, 25MW and 50MW in the fiscal years ending March 31, 2013, 2014 and 2015, respectively. We also intend to continue our track record of acquiring renewable energy assets and agri farms as eco friendly business and improving operational efficiency through applying the technical skills developed throughout our operating experience in the alternate energy field.

- *Improve operating efficiency and profitability*

We intend to strengthen our project implementation skills, identify and acquire renewable energy assets in the market, including assets owned by third parties not focused on power generation as a principal business, improve their performance through better maintenance; continue to build on and further develop long-term and flexible relationships with key suppliers and partners; and continue to focus on applying for benefits under renewable energy trading schemes available in the jurisdictions in which we operate.

OUR STRENGTHS

We believe the following competitive strengths help us grow our business:

- *We operate in the rapidly growing renewable energy sector, which benefits from increasing demand for electricity and regulatory support*

We believe that the demand supply gap in the electricity, government policies, present regulations and environmental protection policies supports the growth of the renewable energy sector in India thereby reducing dependency on the non renewable energy resources such as fossil fuels.

Due to rapid increase in the consumption of electricity in our country there continues to be electricity supply deficits, particularly during peak times.

Therefore, in order to cater to the ever growing demands of the sector and environment protection, the Government of India has put in place policies to encourage the development of the renewable energy sector, such as higher tariffs and tax benefits. We believe that due to these factors driving the growth in India the renewable energy sector will provide significant growth opportunities in the Indian wind energy and solar power sectors due to the continuous increase in demand for electricity.

- ***Our Company has a flexible, scalable business model.***

We are presently generating electricity through wind farms. Going further, we are also in process of setting up a project for producing power through solar energy. The business model of our Company based on the ability to expand our business through the development and/or acquisition of a portfolio of renewable energy power plants that are diverse in fuel source, location and off-take arrangement.

We believe that our business model is flexible and is adaptable to changing environmental and financial conditions. This will enable our Company to deploy our resources efficiently and effectively.

- ***We have a qualified and experienced employee base and management team with knowledge in power generation domain***

Our Company is managed by a team of qualified and experienced personnel. The members of our senior management team possess an average experience of 8 years in the renewable power sector, including in the areas of finance, marketing and law. Our Promoter and Chairman, Mr. K.V. Bala possess an experience of more than 20 years as a promoter of alternate energy & financial services companies and is the guiding force behind the decisions taken at strategic levels. Mr. A. Raja Sukumar, our Executive Vice President has 22 years of experience in project management, finance and marketing. He is responsible for implementing the strategies of our Company. At the site level, we employ our local operational teams to be fully accountable for their performance to capitalize on their day-to-day knowledge of our suppliers, customers, local markets, weather conditions and operations. For further details, please refer to 'Key Managerial Personnel' beginning on page 139 of this Draft Red Herring Prospectus.

Our Promoters and Directors are backed with a team of qualified personnel with relevant domain experience which provides us with a competitive advantage as we seek to expand in our existing product portfolio.

OUR PRODUCTS

Our Company sells the power generated through the windmills, which is a source of "Clean Energy" directly to TANGEDCO, and other corporates like Titan Industries Limited, Prince Foundations Limited, ABI Showwatech. We also sell our products from our agri farms in the local market.

PLG Power Limited ("PLG") is a flagship company of the PLG Group which was originally incorporated as M/s Goel Airshrink (India) Ltd. in 1990. PLG Power is into manufacturing of Crystalline Solar Photovoltaic Modules. The Photovoltaic manufacturing facility of PLG has an installed capacity of 25 MW p.a. located at Sinnar, Nasik, Maharashtra. PLG has state of the art facility to manufacture Multi – Crystalline and Mono-Crystalline Solar Photovoltaic Modules with a strong customer base spread across European Union and USA.

PLG also has a manufacturing facility of Polypropylene Mats having an installed capacity of 3300 MT p.a. in technical collaboration with Asagoe, Japan for its PP Mats business and currently, it has the largest manufacturing capacity of P.P.Mats in the country. The PP Mats business division of PLG caters to its customer base spread across the Middle East, Singapore, Srilanka, Africa and SAARC Countries.

During the FY 2010-11, PLG from its Solar module and Mats division clocked a turnover of ₹ 20080 Lakhs. Further, PLG is looking to expand its manufacturing foot print in the solar sector by ramping up its existing manufacturing capacities of photovoltaic modules.

PLG Power has bagged EPC Orders of Rs 250 crores for 20 MW and Rs 610 crores for 50 MW in a mix of technologies of crystalline and thin film. PLG Power is in process of setting up a 120 MW Solar Cell Manufacturing Facility. With these developments PLG would be vertically integrating its operations giving it various cost advantages.

Other Companies in the PLG Group

PLG Plast Limited which is engaged in the business of manufacturing household and industrial plastic goods with an installed capacity of 2000 tons at its manufacturing facility is located in Indore Phase III, Indore. . The Company registered a turnover of ₹ 1800 Lakhs for the financial year ending March 31, 2010.

M/S GOEL PACKAGING INDUSTRIES

Goel Packaging is engaged in trading activities of plastic granules.

MARKETING SET UP

The power generated from our wind farms are sold for captive purpose to corporates, TANGEDCO and BESCOM. As a corporate policy and business strategy the power produced from the WEGs owned by us are sold through our Group Companies who enter into Power Purchase Agreements with the respective consumers.

Typically these PPAs are for a long tenure say for five years or ten years.

Given the nature of our business, concentration of the plants in few States and also the shortage of power we do not need a large marketing setup. Once the PPAs are signed the work involved for the marketing team is only to maintain customer relationship, billing and follow up for payments.

Since our Group has been an Independent Power Producer for the past 18 years we have a core team of senior people within the Group in all the States (wherever we have our plants) who facilitate us in identifying potential consumers for signing long term PPAs. As per the Gujarat Vibrant Policy, power to be generated from all solar farms will be purchased by Gujarat Urja Vikas Nigam Limited (“GUVNL”). Our Company will be signing PPA with GUVNL based on the tariff rate as fixed by Gujarat Electricity Regulatory Commission.

EXPORT OBLIGATIONS

Our Company does not have any export obligations.

COLLABORATIONS

Our Company has not entered into any technical or other collaboration as on the date of filing this Draft Red Herring Prospectus.

UTILITIES AND INFRASTRUCTURE FACILITIES

1. Raw materials

The basic and the major raw material required for producing power through windmills is wind which is available in abundance in specific locations identified through wind studies conducted by CWET and private agencies. Similarly, for solar projects the solar Direct Normal Irradiancy and Global Horizontal is mapped to identify potential places suitable for setting up solar farms.

2. Land and WEGs

Solar Power Business

As a thumb rule 4-5 acres of land is required for installing PV systems for generating 1 MW of power. We have acquired 20.12 acres of land in Nanichandur village, Sami Taluk, Patan District Gujarat. The entire land will be a free hold land without any encumbrances and without any condition as to its usage.

Wind farms

The existing wind mill of our Company are spread across a total land of 40.96 acres in Tamil Nadu. The entire land for the wind farm is a free hold owned by and registered in the name of our Company.

UTILITIES

3. Power

The windmill project and our proposed solar project do not require large quantities of power, unlike other manufacturing operations. However, the WEGs do draw nominal quantity of power to start the turbine for generation, which is termed as reactive power KVARH (Kilo Volt Amps Reactive Hours).

We do not require power for our organic farming except for operating the borewell pumps

4. Water

Water is required only for our agri farming business which is met from borewells situated in the farm itself. There are no water requirements for our wind and solar project.

5. Manpower

Our Company recruits people from the industry depending on its requirement. We have maintained good relationships with our employees. There is easy availability of manpower where our operations are located and we do not foresee any problems in hiring more manpower if needed. Currently the people employed in the Company are as follows:

The employee strength as on June 30, 2011 is 21:

Details of Manpower						
Particulars	Head Office and Mumbai branch		Windmill		Farming	
	Permanent Employees	Contract Labourers	Permanent Employees	Contract Labourers	Permanent Employees	Contract Labourers
KMP	4	0	1	0	0	
Skilled	7	0	8	0	1	Employed as & when required
Semi-Skilled		0	0	0	0	
Unskilled	0	0	0	0	0	
Total	11		09		1	

ENVIRONMENTAL ASPECTS

Our operations do not generate any effluents. On the contrary the generation of power from windmills is eco-friendly and pollution free and hence is categorized as 'Clean Power'. Our Company is committed to provide a safe, clean and healthy environment. We adhere to all the requirements to be met in this regard and will continue complying with all local and national environmental laws and regulations, at all the times. We do not envisage any difficulty in meeting the required parameters to maintain a clean and healthy environment.

Carbon Credits

Wind and solar power being eco friendly projects are eligible for carbon credits under the United Nations Framework Convention on Climate Change (“UNFCCC”). Our Group Company Indowind Energy Limited in 2006 obtained Certified Emission Reduction (“CER”) Indowind Energy Limited was the first wind energy company in India to obtain the CER.

Our Company will also apply for getting CERs for the solar project which will be an additional source of revenue apart from being an environment friendly project Company.

Our Company has already engaged the services of InRhythm Energy Solutions Pvt. Ltd as our CDM project consultant for developing the Project Design Document to be registered with MOEF and UNFCCC. CER Advisory Agreement dated October 10, 2010 has been executed between our Company and InRhythm Energy Solutions Private Limited.

COMPETITION

We operate in a competitive environment. Our competition depends on a host of factors, such as the type and size of the project, the complexity and location of the project, our previous relationships with customers/government bodies in the region, and location of competitors’ projects.

In our wind energy business, we mainly compete with other independent power producers for suitable land for wind farm construction, WEGs, engineering and construction services, PPAs with State Electricity Boards and for private customers.

CAPACITY AND CAPACITY UTILIZATION FOR LAST 3 YEARS

WIND POWER

Year	Installed Capacity (Tamil Nadu)	Plant Load Factor (PLF)
2010-11	11.4	19.00
2009-10	8.25	19.61
2008-09	8.25	17.43

PROPOSED CAPACITY AND CAPACITY UTILIZATION FOR NEXT 3 YEARS

WIND POWER

Year	Installed Capacity (Tamil Nadu)	Plant Load Factor (PLF)
2011-12	11.4	18.00
2012-13	11.4	18.00
2013-14	11.4	18.00

SOLAR POWER

Year	Installed Capacity	Plant Load Factor (PLF)
2011-12	5	19.00
2012-13	10	19.00
2013-14	25	19.00

PROPERTY

Our Company owns land on a freehold and a leasehold basis for the purpose of wind farms and farming of mangroves in the State of Tamil Nadu. Total land owned and leased by us is 58.67 acres. The details of the land on freehold and leasehold basis is set out below:

(a) Freehold Properties

#	Details of the Agreement	Survey No.	Area (Acres)	Location
1.	Sale deed # 1615 of 2009 dated 28/07/09	671/6	1.62	Village Pudukkottai, taluk Periyakulam
2.	Sale deed # 1616 of 2009 dated 28/07/09	705/3, 714/1	3.21	Village Pudukkottai, taluk Periyakulam
3.	Sale deed # 165 of 2009 dated 27/01/09	507/1, 507/3, 506/1	3.54	Village Keelavadakarai, taluk Periyakulam
4.	Sale deed #141 of 2009 dated 27/01/09	971/2	3.42	Village Pudukkottai, taluk Periyakulam
5.	Sale deed # 3268 of 2008 dated 24/12/08	464/1, 467/1	2.90	Village Keelavadakarai, taluk Periyakulam
6.	Sale deed # 164 of 2009 dated 27/01/2009	522/2, 522/7	2.46	Village Keelavadakarai, taluk Periyakulam
7.	Sale deed # 2665 of 2008 dated 24/12/2008	348/6	4.28	Village Pudukkottai, taluk Periyakulam
8.	Sale deed # 2228 of 2009 dated 28/07/2009	505/1, 509/1, 509/3, 505/3	2.27	Village Keelavadakarai, taluk Periyakulam
9.	Sale deed # 2227 of 2009 dated 28/07/2009	536/1B, 527/1	3.42	Village Keelavadakarai, taluk Periyakulam
10.	Sale deed # 2664 of 2008 dated 24/12/2008	945, 946, 948/1, 963/1, 963/2	8.69	Village Pudukkottai, taluk Periyakulam
11.	Sale Deed # 171/2009 dated 22/1/2009	628/1, 628/2, 624/1, 625/1	5	Village Sambavarvadakarai, Tenkasi, district Tirunelveli
12.	Sale Deed # 196/2009 dated 22/1/2009	40(P)	1.50	Village Soundarapandiapuram, Tenkasi, district Tirunelveli
13.	Sale Deed # 170/2009 dated 22/1/2009	615/1(P), 889/2,3, 888/6,11,12, 890/10,11, 892/3, 4	5.95	Village Soundarapandiapuram, Tenkasi, district Tirunelveli
	Total		48.26	

(b) Leasehold Properties

#	Details of the Agreement	Parties	Duration	Survey No.	Area (Acres)	Location
1.	Lease # 5974 dated 9/9/2010	Indonet Global Limited and Eco Ventures Limited	25 years	99/1, 99/2B	2.60	Village Kasikkuvaithan, Alangulam, district Tirunelveli
2.	Lease Deed # 798/2005 dated 8/4/2005	Indowind Energy Limited and Eco Ventures Limited (MSKV Remedies Limited)	25 years from 7/4/2005 to 6/4/2029	1518, 1525	1.40	Village Pazhavor, Radhapuram taluk, district Tirunelveli
3.	Lease # 5973/2010 dated 9/9/2010	Indowind Energy Limited and Eco Ventures Limited	25 years	692/2, 95/6	6.41	Village Keelaveeranam, Veerakeralampudur Taluk and village Kasikkuvaithan, Alangulam taluk, district Tirunelveli
	Total				10.41	

(c) Wind Mills


LIST OF WEGs						
Sr. No.	Location	M/C Capacity (kWh)	No. of Machines	Total M/c Capacity (kWh)	Make	Power Consumer
1	Perungudi(Panagudi),Radhapuram Taluk, Tirunelveli	250	2	500	AMTL	TANGEDCO
2	Keelaveeranam, Veerakeralampudur Taluk, Tirunelveli	250	2	500	AWT	TITAN
3	Sambavarvadakarai, Tenkasi, Tirunelveli	750	1	750	NEG MICON	PRINCE
4	Sambavarvadakarai, Tenkasi, Tirunelveli	750	1	750	NEG MICON	PRINCE
5	Soundarapandiapuram, Tenkasi, Tirunelveli	750	1	750	NEG MICON	PRINCE
6	Soundarapandiapuram, Tenkasi, Tirunelveli	750	1	750	NEG MICON	PRINCE
7	Soundarapandiapuram, Tenkasi	750	1	750	NEG MICON	PRINCE
8	Soundarapandiapuram, Tenkasi	750	1	750	NEG MICON	PRINCE
9	Kasikkuvaithan, Alangulam	250	2	500	AWT	TANGEDCO
10	Pazhavor, Radhapuram taluk	250	2	500	AMTL	TANGEDCO
11	Kasikkuvaithan, Alangulam	250	1	250	AWT	ABI SHOWATECH
12	Kasikkuvaithan, Alangulam	250	1	250	AWT	ABI SHOWATECH
13	Keelaveeranam, Veerakeralampudur Taluk	250	1	250	AWT	TURBO
14	Keelaveeranam, Veerakeralampudur Taluk	250	1	250	AWT	TURBO
15	Keelaveeranam, Veerakeralampudur Taluk	250	1	250	AWT	TANGEDCO
16	Kasikkuvaithan, Alangulam	250	1	250	AWT	TANGEDCO
17	Pazhavor, Radhapuram taluk	225	1	225	VESTAS	HTL GREEN PARK
18	Pazhavor	225	2	450	VESTAS	HTL GREEN PARK
19	Keelaveeranam, Veerakeralampudur Taluk	250	1	250	AWT	TITAN
20	Pazhavor	225	1	225	VESTAS	TANGEDCO
21	AralvoiMozhi,Thovalai Taluk	250	1	250	NEPC	TANGEDCO
22	AralvoiMozhi,Thovalai Taluk	250	2	500	AMTL	TANGEDCO
23	Chitradurga	1500	1	1500	SUZLON	BESCOM
	TOTAL		29	11,400		

INSURANCE

We have a standard fire and special perils policy with ICICI Lombard General Insurance Company Limited for each of our windmills situated in Tamil Nadu and Karnataka. All our insurance policies are valid as on the date of this Draft Red Herring Prospectus.

INTELLECTUAL PROPERTY RIGHTS



Our Company conducts its business under the logo . Our Company has not applied for the registration of the same. Our Company does not own any registered trademarks or trade names.

KEY INDUSTRY REGULATIONS AND POLICIES

Our Company is engaged in the business of generation of wind and solar energy. The following is an overview of the important laws and regulations, which are related to our business. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modifications by subsequent legislative, regulatory, administrative or judicial decisions.

The regulations set out below are not exhaustive, and are only intended to provide general information to bidders and are neither designed nor intended to be substituted for professional legal advice.

For details of government approvals obtained by us in compliance with these regulations, please refer to Chapter titled 'Government and Other Approvals' on page 224.

1. Electricity Act, 2003

The Electricity Act is a central unified legislation relating to generation, transmission, distribution, trading and use of electricity, which seeks to replace the multiple legislations that governed the Indian power sector.

The most significant reform initiative under the Electricity Act was the move towards a multi buyer, multi seller system as opposed to the existing structure which permitted only a single buyer to purchase power from power generators. In addition, Electricity Act provides for a greater flexibility and grants the respective electricity regulatory commission's greater freedom in determining tariffs, without being constrained by rate-of-return regulations. The Electricity Act seeks to encourage competition with appropriate regulatory intervention. An Appellate Tribunal to hear appeals against the decision of the CERC and SERCs has been established. However, Electricity Act provided that transmission; distribution and trade of electricity are regulated activities which require licenses from the appropriate electricity regulatory commission, unless exempted by the appropriate government in accordance with the provisions of Electricity Act. It was amended in 2007 to exempt captive power generation plants from licensing requirements for supply to any licensee or consumer. Government has also announced National Electricity Policy in 2005 to guide the development of the electricity sector in India.

2. Regulations and policies regarding wind energy

a) Infrastructure development for wind power projects

Land

The land used for setting up wind power projects may be private land, revenue land (Government owned) or forest land. Private lands are purchased directly from the owners and in the event such land is agricultural land, such land is converted into non agricultural land, if so required by the Government. In case of land owned by the Government, it is made available by the respective state governments on long- term lease or out right sale basis as per the prevailing policies of the concerned State Government. Certain State Governments like, Gujarat and Rajasthan have special policies for allotment of Revenue lands for wind power projects.

In Rajasthan, for example, allotment of land is carried out only after an application is submitted for the same to the state nodal agency, Rajasthan Renewable Energy Corporation Limited (RRECL). The evaluation of the application for allotment of land is done by an empowered committee constituted by the state government. This application is evaluated on grounds such as amount of land already allotted to the particular developer, micro-siting drawing of proposed land, likely date of commissioning of the project on the land applied for. The RRECL recommends allotment and on basis of the report submitted by the local tehsildar and other local officials, the district revenue authorities make the allotment.

The government of Gujarat has announced a special policy for allotment of revenue land for the purposes of setting up wind farm projects. Under the said policy, a maximum of one

hectare of land per WTG is allotted to the applicants by the district revenue authorities on the basis on applications made in accordance with the said policy. The said land is allotted on long-term basis generally for a period of twenty years at a fixed rent of ₹ 10,000 per annum per hectare.

In case of forest land, the Ministry of Environment and Forest has announced a special policy in November 2003, which is updated from time to time, which elaborates the procedures and guidelines for diversion of the forest lands under the Forest (Conservation) Act, 1980 for the purpose of establishing wind power projects. The said guidelines, *inter alia*, provide for the following:

- Areas like national parks and sanctuaries, areas of outstanding natural beauty, natural heritage site, sites of archaeological importance and sites of special and scientific interests and other important landscapes cannot be considered for wind power projects;
- Wind power projects are required to be located at a safe distance (1 km. or more) from these sites;
- Distance from the industrial coasts is required to be a minimum of 3.5 km;
- Specific guidelines in order to protect the natural habitats of birds and animals are required to be observed;
- To ensure optimal use of forest land, it has been stipulated that WTGs of capacity of at least 1 MW should be allowed as a matter of policy; and
- NOC from local bodies is also mandatorily required.

Evacuation

In order to evacuate the power generated by the wind power project, creation of proper evacuation facilities in form of internal lines, external high voltage lines and substations becomes essential. These infrastructures are created either by manufacturer or developer on case-to-case basis with a proper permission and payment of requisite fees by and to SEB/ state nodal agencies.

Other clearances

Depending upon the location of the wind power project, we require to take additional permissions/ authorizations. For example additional permissions may be required in the event that a wind power project is being set up close to an air force base/ airport.

b) Wind power generation

Under the Electricity Act 2003, which repealed all the earlier enactment pertaining to this sector, the activity of generation of the power does not require any license or permission. Persons engaged in the generation of electricity from wind power are required to register the project being undertaken with State Nodal Agency and obtain permission for inter-grid connectivity from the utility.

The electricity generated from the wind power project can be used for captive consumption, sale to utility or for transaction under open access as per the prevailing state policy as well as regulatory orders, if any. Various states have announced administrative policies relating to wheeling, banking and buy-back of power. The summary of the policies issued by Tamil Nadu is given below:

Sr. No.	Description	Summary of Regulations
1.	Subject	TNERC order dated 20.03.2009 regarding power procurement from Wind Energy Generators
2.	Tariff Period	FY 2009-10 to 2010-11
3.	Tariff	Up to 31.3.2009 = ₹ 3.24/ unit After 1.4.2009 = ₹ 3.39/ unit

4.	Financial Parameters i. Capital cost (₹ Crore/ MW) ii. Return on equity (%) iii. Debt equity ratio iv. Interest Rate on loan v. Deprecation (%) vi. Interest on working capital vii. O&M expenses (%) viii. Insurance Expenses	₹ 5.35. Capital cost is apportioned among plant machinery, civil works & land at 85%, 10% and 5% respectively. Up to 31.3.2009 : 17.63% Pre-tax After 31.3.2009 : 19.85% Pre-tax 70:30 @ 12% per annum Repayment period of 10 years with moratorium period of one year. 4.5% p.a. To be calculated on cost of plant & machinery (considered as 85% of total). Not considered @ 1.1% (on 85% of capital cost of plant & machinery), escalated @ 5% p.a. @ 0.75% of plant & machinery cost during 1 st year of operation, to be reduced by half a percent of previous year's insurance cost every year.
5.	Nornative Parameters	
	Capacity Utilization Factor (CUF) (%)	27.15% De-ration in CUF @ 1% per annum after first 10 years.
6.	Other Parameters 1. Renewable Energy Purchase obligations 2. Useful plant life 3. Evacuation of power 4. Banking 5. Transmission and wheeling charges 6. Payment security	2009-10: 13% 2010-11: 14% 20 years Cost of inter-facing line up to inter-connection shall be borne by STU/distribution licensee in case of sale of entire power to distribution licensee by the Wind generator. Banking charges shall be @ 5% of energy. Banking charges will be levied on the net energy saved by the generator in a month after adjustment of the consumption during the month. Slot wise banking is permitted to enable unit to unit adjustment. No carry over is allowed beyond banking period. 5% of energy Penalty of 1% per month shall be levied for delayed payment by the licensee.
	7. CDM Benefits 8. Reactive power charges	1 st year: 100% to developers. Reduction of 10% every year till sharing becomes equal 50:50 between developers and the consumer in 6 th year. Thereafter, sharing of CDM benefits will remain equal. 25 p/kVARh for drawing reactive power up to 10%. Double charges for those drawing above this limit.

	9. EPA	20 years
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(Source: MNRE Publication)

Further, the Electricity Act, 2003 also mandates that all regulatory commissions insist on procuring certain percentage of power generation from renewable energy sources by all distribution companies.

Tax Benefits/ Relief provided by Central Government.

There are various incentives in form of tax relief's, concessional rates of taxes (direct & indirect) by the Central Government for the Wind Power Projects. Under mentioned is a snapshot to the incentives so provided:

Direct Taxes

Under the provisions of the Income Tax Act, 1961 and the Rules made there under, specific concessions have been made available to non-conventional energy sector, including wind energy.

Accelerated 80% depreciation has been provided on specified renewable energy based devices/ projects including wind mill and devices that run on wind mills.

Income earned by way of dividends, interest or long-term capital gains by industrial undertakings set up in any part of India for the generation or generation and distribution of power at any time during the period beginning on the April 1, 1993 and ending on the March 31, 2006, is also exempt from tax.

Section 80-IA of the Income Tax Act, 1961 provides for deduction from the total income of an assessee, of profits from an undertaking set up in any part of India for the generation or generation and distribution of power, which begins to generate power during the period April 1, 1993 to March 31, 2010. This deduction is subject to payment of MAT.

Generation Based Incentive (GBI) for Grid Interactive Wind Power Projects

The MNRE announced the Generation Based Incentive (GBI) for Grid Interactive Wind Power Projects commissioned after December 17, 2009. The main objectives of the GBI Scheme are:

- a. To broaden investor base by:
 - Facilitating the entry of large Independent Power Producers (IPPs)
 - Attracting FDI in the Wind Power Sector
- b. To provide level playing field between various classes of investors.
- c. To incentivize higher efficiencies.
- d. To provide a framework for transition from an investment based incentive to outcome based incentive.

The main features of the GBI Scheme are:

1. Companies shall be allowed to avail either AD (Accelerated Depreciation) or GBI but not both.
2. The GBI is at Re. 0.50 per unit of electricity fed into the grid with a cap of ₹62 Lakhs/MW. The GBI is over and above the tariff approved by State Electricity Regulatory Commission.
3. The incentive will be for a minimum period of 4 years and a maximum of 10 years. The total disbursement in a year will not exceed one fourth of the maximum limit of the incentive, i.e. ₹15.50 Lakhs per MW during first four years.

4. There is no floor or ceiling for a developer in terms of the MW capacity that can be considered for availing the incentive.
5. All wind power projects whose machines are commissioned in India after 17.12.2009 and on or before 31.03.2012 and wishing to avail either Accelerated Depreciation (AD) benefit or Generation Based Incentive (GBI) are required to be registered with IREDA.
6. Post registration; a Registration Number and a Unique Identification Number (UIN) shall be allotted to each project and each machine commissioned respectively.

The claim for GBI would be applicable for those power producers who have wind turbines commissioned after 17.12.2009. The BBI Scheme is however limited to a capacity of first 4000 MW commissioned through GBI on or before 31.03.2012. The incentive would be available for grid connected wind power projects set up for sale of electricity to grid, at a tariff notified by SERC and /or State Govt. and also for captive wind power projects including group captive to the extent of sale of electricity to the grid.

3. Special Incentive Package Scheme

In accordance with the rise in the solar industry globally, the GoI has instituted solar industry programs on both the demand and the supply side. On the supply side, the GoI announced a semiconductor policy, as elaborated upon here under, with cabinet-approved incentives to attract foreign investment to the semiconductor sector, including manufacturers of semiconductors, displays and solar technologies. The Ministry of Communications and Information notified the Special Incentive Package Scheme to encourage investment for setting up semiconductor fabrication and other micro and nano technology manufacture industries in India (such industries hereinafter referred to as the “Industries”), on March 21, 2007 (the “Policy”). The purpose behind the introduction of the Policy was to create a conducive manufacturing environment for such Industries and offer a package of incentives comparable with other countries to attract global investment into the manufacturing sector as well as help bridge the viability gap due to lack of adequate infrastructure and eco-system. The Policy states that investments made under the Policy would cover the manufacture of all semi-conductors and eco-system units, namely, displays including liquid crystal displays, organic light emitting diodes, plasma display panels, any other emerging displays, storage devices, solar cells, photovoltaic, other advanced micro and nano technology products. Further, only technologically sound, large projects promoted by professionally qualified and financially sound and reputed players of proven track record shall be eligible to apply for incentives under the Policy. Additionally, investors who can attract further upstream or downstream investment shall be encouraged. The GoI or any of its agencies shall provide incentive of 20% of the capital expenditure during the first 10 years (from the commencement of the project) for the units in SEZ and 25% of the capital expenditure for non-SEZ units. Non-SEZ units shall also be exempt from countervailing duty. The incentives, if any, offered by the state government or any of its agencies or local bodies, shall be over and above this amount. However, the special incentive package shall be available only up to March 31, 2010.

4. Regulations and policies regarding solar energy

The Jawaharlal Nehru National Solar Mission

The Jawaharlal Nehru National Solar Mission (the “**Mission**”), based on the National Action Plan on Climate Change was introduced in November 2009 by the Union Cabinet. It was being launched under the brand name “Solar India” at an estimated cost of ₹ 43,370 million. The Mission anticipates achieving grid parity by 2022 and parity with coal-based thermal power by 2030. It seeks to establish India as a global leader in solar energy, by creating the policy conditions for its diffusion across the country as quickly as possible. The basic idea is to create a policy and regulatory environment which will provide a predictable incentive structure that enables rapid and large-scale capital investment in solar energy applications and encourages technical innovation and lowering of costs. It shall also encourage aggressive research and development department to reduce the cost and improve the overall performance of this field.

The Mission will adopt a 3-phase approach, spanning the remaining period of the 11th Plan and first year of the 12th Plan (up to 2012-13) as Phase I, the remaining four years of the 12th Plan (2013-17) as Phase II and the 13th Plan (2017-22) as Phase III. At the end of each plan, and mid-term during the 12th and 13th Plans, there will be an evaluation of progress, review of capacity and targets for subsequent phases, based on emerging cost and technology trends, both domestic and global. The aim would be to protect Government from subsidy exposure in case expected cost reduction does not materialize or is more rapid than expected.

a) Feed-in-Tariffs:

On the demand side, in early 2008, the GoI announced a Feed-in-Tariff (“FIT”) scheme which is a form of a ‘pricing law’ by way of which producers of renewable energy are paid to set scientifically calculated rates for their electricity, differentiated according to the technology used and size of the installation, for a specified time period. The additional costs of such feed-in model schemes are paid by suppliers in proportion to their sales volume, and are passed to the power consumers by way of a premium on the KWh end-user price.

The FIT, introduced at the national level as a supplement to more modest local incentive programs, is aimed at providing financial support up to ₹ 12 per kWh for SPV projects, promising a 10-year commitment and is subject to annual digressions (as detailed under the Guidelines below). The MNRE had announced two feed-in laws for (1) grid-connected solar-PV-based power generation and (2) grid-connected solar-thermal-based power generation. The central subsidy per kWh for SPV and for solar thermal was set at ₹ 10 and ₹ 12 respectively. This would be in addition to the state subsidy. Several state governments have subsequently announced FIT incentives with caps ranging from 50MW to 500 MW, the most prominent among them being West Bengal, Gujarat, Haryana, Punjab and Tamil Nadu. The government of Gujarat recently announced a policy to target 500 MW in the state. The FIT will be USD 0.27/kWh for a period of 12 years.

The following is a list of applicable tariff rates in the some of the Indian states:

State	Condition	Tariff
Gujarat	Projects Commissioned before December 31, 2012	₹ 15/ kWh for the first 12 years ₹ 5/ kWh from the 13th year to the 25th year
Haryana	Solar Power Plants commissioned upto December 31, 2009	₹ 15.96/ kWh
	Solar Power Plants commissioned upto December 31, 2009/2010	₹15.16/ kWh
Maharashtra	Solar power plants commissioned within Maharashtra upto March 31, 2010 under the generation based incentive scheme.	₹ 3/ kWh
Punjab	-	₹ 7.00 per unit for SPVfor 10 years
Rajasthan	Plants commissioned upto December 31, 2009 (covered under GOI scheme)	₹ 15.78/ kWh
	Plants commissioned upto December 31, 2009 (Not covered under GOI	₹ 15.60/ kWh

State	Condition	Tariff
	scheme)	
	Plants commissioned after December 31, 2009 but by March 31, 2010	
Tamil Nadu	-	₹ 3.15/ kWh
Uttar Pradesh	Licensee	
	Plant covered under GoI scheme Commissioned before December 31, 2009	₹ 3.00/ kWh for the first 10 years
	Plants covered under GoI scheme commissioned after December 31, 2009 but by March 31, 2010	₹ 3.60/ kWh for the first 10 years
	Plants not covered under GoI Scheme- commissioned before December 31, 2011	₹ 15.00/ kWh for the first 10 years
	GOI	
	Plant covered under GoI scheme commissioned after December 31, 2009	₹ 12.00/ kWh for the first 10 years
	Plants covered under GoI scheme commissioned after December 31, 2009 but by March 31, 2010	₹ 11.40 / kWh for the first 10 years
	Plants not covered under GoI Scheme commissioned before December 31, 2011	₹ 0.00/ kWh for the first 10 years
	Plants commissioned before December 31, 2011	₹ 15/ kWh (from the 11th to the 20th year)
West Bengal		₹ 12.50/ kWh

b) Guidelines for Generation Based Incentive Solar Power Generations Projects (the “Guidelines”)

With a view to develop and demonstrate technical performance of grid interactive solar power generation, achieve reduction in the cost of the grid connected solar systems and the cost of solar power generation in the country, the MNRE has decided to support grid interactive solar power generation projects as demonstration projects in the country. By way of the Guidelines, the MNRE will consider support for a maximum capacity up to 50 MW during the 11th plan period. The Indian Renewable Energy Development Agency (“IREDA”) will assist the MNRE in fund handling, monitoring and other associated activities in this regard.

There are various eligibility projects and eligibility criterion laid down under the Guidelines. All existing registered companies, central and state power generation companies and public/ private sector SPV power project developers who have set up or propose to set up a registered company in India will be eligible for consideration of

generation based incentives. Individuals, non-governmental organizations, financial institutions, societies and other unorganized investors are not eligible to participate directly. A developer who wants exemption under Section 32 of the IT Act will not be eligible for this incentive. Further, setting up of captive grid interactive SPV power plant or captive utilization of SPV power is not covered within the scope of the Guidelines.

The generation based incentives under the Guidelines, include, *inter alia*, the following:

- i. Wherever the State Electricity Regulatory Commission (“SERC”) has fixed a separate tariff for solar power or they fix the tariff during the period for which the MNRE is providing incentive, the utilities will offer a minimum of that tariff to the SPV grid interactive power projects in their respective states. In absence of such tariff orders, the utilities will offer the highest tariff for purchase of power to the SPV power project developers, that is being offered by the utilities for purchasing power in their respective states on medium term or the highest tariff being provided for purchase of power from any other energy source for which orders/guidelines are already issued for that state.
- ii. A generation based incentive of a maximum of ₹ 12 per kWh can be provided to the eligible projects which are commissioned by December 31, 2009, by the MNRE through IREDA after taking into account the power purchase rate provided by the SERC or utility for the project. However, the projects commissioned after December 31, 2009, would be eligible for a maximum incentive with 5 % reduction and ceiling of 11.40 per kWh. The method of determination of the maximum generation based incentive is as laid down under the Guidelines, subject to a maximum limit of 12 per kWh.

The incentives approved for a grid interactive SPV power generation project under the Guidelines may be available for a maximum period of 10 years from the date of approval and regular power generation from that project, provided that the utility continue to purchase power from that grid interactive SPV power plant.

Additionally, the Guidelines also contain provisions for technical performance optimization and also aim at using technology for availing higher output. These guidelines provide for adequate infrastructure for monitoring the project with IREDA also playing a monitoring role in the process. The project developers have to submit an annual progress report of the project and the annual report of the company which have set up and own the grid interactive SPV plants. These broad guidelines are also applicable to grid connected solar thermal power generation projects, however, the generation based incentive for them will, however, be limited to a maximum of ₹ 10 per kWh as per guideline 8.2. The maximum capacity of 50 MW would apply to solar thermal projects as well. The continuance of the scheme and restructuring of the incentive scheme would depend up on the success of the scheme during the stipulated period.

These Guidelines may be replaced by new set of guidelines even before March 31, 2010, at any given time, by the MNRE and will apply to projects and proposals that have not been approved by that time.

Ajay Shankar Committee Recommendations

The Ajay Shankar Committee (“Committee”) was set up to recommend a policy framework under the Mission to encourage domestic production of raw materials and components by recommending the minimum indigenous content required for solar power projects, both solar thermal and photovoltaic. The Committee on promotion of the domestic content in the implementation of the Mission has mandated that for Phase I, all deployment in grid connected solar power plants be done using both photovoltaic cells and modules manufactured in India. It has also recommended the mandatory use of Power Conditioning Units (PCUs) made in India, and suggested a review for possible extension to wafers and silicon made in India. The final recommendations of the Committee are yet to be made and once finalized; the same would be incorporated in the guidelines for the Mission.

SCHEME ON “DEMONSTRATION AND PROMOTION OF SOLAR PHOTOVOLTAIC DEVICES/ SYSTEMS IN URBAN AREAS and INDUSTRY” (THE “DEMONSTRATION AND PROMOTION SCHEME”)

The Demonstration and Promotion Scheme was introduced by the MNRE (Urban, Industrial and Commercial Group) for the period of 2008-2009 and continues for the 11th plan period as well.

The major objectives of the Demonstration and Promotion Scheme are: (a) to create awareness and demonstrate effective alternate solutions for community or institutional solar based systems in urban areas and industries; (b) to reduce the burden of conventional electricity facing a shortage in cities or towns facing shortages; and (c) to save highly subsidized diesel in institutions and other commercial establishments including industry facing huge power cuts. The scheme also aims at the promotion of solar street lights, solar traffic signals, solar blinkers, solar power packs/inverters etc. An expenditure of ₹ 4,800 Lakhs is expected to be incurred under this scheme.

The implementation procedure, as detailed under the scheme, is to be executed through state nodal agencies and in other specific cases, by other government bodies or other technical organizations which will also be involved in organizing publicity awareness campaigns and other events such as conferences, workshops etc. The implementing agencies will be provided service charges @ 2% of central financial assistance sanctioned for the demonstration projects. The implementing agencies will be free to decide the capacity and other specifications of systems to be installed in the area and would also ensure that an annual maintenance contract for five years is included in the total cost of the system.

Financial support is one of the mechanisms under the Demonstration and Promotion Scheme for promoting the use of solar photovoltaic devices and systems in urban areas. For this purpose, the Demonstration and Promotion Scheme includes various financial provisions, including those pertaining to financial support guarantees to programmes under the scheme such as seminars, conferences, and public awareness programmes. Further, there is a system provided for electricity conservation where the support is limited up to 1 kW SPV Panel with details as provided in the scheme. A system of abatement of fuel and other diesel oil is provided with a support limit to 100 KW power.

The Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010

The Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010, was formulated by the Central Electricity Regulatory Commission (CERC) dated January 14, 2010, for the development of market in power from Non Conventional Energy Sources by issuance of transferable and saleable credit certificates. Under these regulations, the CERC is to set up a central agency (Central Agency) to undertake the following functions:

- (a) registration of eligible entities,
- (b) issuance of certificates,
- (c) maintaining and settling accounts in respect of certificates,
- (d) repository of transactions in certificates, and
- (e) such other functions incidental to the implementation of renewable energy certificate mechanism as may be assigned by the CERC from time to time.

The Central Agency has to issue a detailed procedure for registration of eligible entities verification of generation of electricity and its injection into the grid by the eligible entity and issuance of certificates. The regulations provide that there will be two categories of certificates, viz., solar certificates and non-solar certificates.

The solar certificate shall be sold to the obligated entities to enable them to meet their renewable purchase obligation for solar, and non-solar certificate shall be sold to the obligated entities to enable them to meet their obligation for purchase from renewable energy sources other than solar.

A generating company engaged in generation of electricity from renewable energy sources shall be eligible to apply for registration for issuance of and dealing in certificates if it fulfills the following conditions:

- (a) it has obtained accreditation from the State agency;
- (b) it does not have any power purchase agreement for the capacity related to such generation to sell electricity at a preferential tariff determined by the appropriate commission; and
- (c) it sells the electricity generated either (i) to the distribution licensee of the area in which the eligible entity is located, at a price not exceeding the pooled cost of power purchase of such distribution licensee, or (ii) to any other licensee or to an open access consumer at a mutually agreed price, or through power exchange at market determined price.

If the Central Agency, after making an enquiry or based on the report of the compliance auditors, is satisfied that public interests so require, it may revoke registration of the eligible entity in any of the following cases, namely:

- (a) where the eligible entity, in the opinion of the Central Agency, makes willful and prolonged default in doing anything required of him by or under these regulations;
- (b) where the eligible entity breaks any of the terms and conditions of its accreditation or registration, the breach of which is expressly declared by such accreditation or registration to render it liable to revocation;
- (c) where the eligible entity fails within the period required in this behalf by the Central Agency –
 - (i) to show, to the satisfaction of the Central Agency, that it is in a position fully and efficiently to discharge the duties and obligations imposed on it by its accreditation or registration; or
 - (ii) to make the deposit or furnish the security, or pay the fees or other charges required by its accreditation or registration.

The Certificate issued to eligible entity by the Central Agency may be placed for dealing in any of the power exchanges as the certificate holder may consider appropriate, and such certificate shall be available for dealing in accordance with the rules and byelaws of such power exchange. The price of certificate will be as discovered in the power exchange.

The certificate once issued shall remain valid for three hundred and sixty five days from the date of issuance of such certificate. Further, a certificate shall be deemed to have been extinguished after it has been exchanged by way of sale and purchase in the power exchange.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief Corporate History of our Company

Our Company was originally incorporated as “Siga Pharma Labs Private Limited” a private limited company under the provisions of the Companies Act, 1956, *vide* certificate of incorporation dated April 23, 1982, issued by the Registrar of Companies, Tamil Nadu (“RoC”). Our Company’s name was changed to Loyal Super Remedies Private Limited *vide* fresh certificate of incorporation dated November 29, 1985. Our Company was converted into a public limited Company *vide* a fresh certificate of incorporation dated March 01, 1986. The name of our Company was further changed to MSKV Remedies Limited *vide* a fresh certificate of incorporation dated January 24, 2002. The name of our Company was further changed to its present name, Ind Eco Ventures Limited *vide* fresh certificate of incorporation dated May 22, 2008. The fresh certificate of incorporation to reflect the new name was issued by the RoC with CIN U24231TN1982PLC009345.

Changes in the Registered Office

Year	Change from	Changed to
June 01, 1985	44, Armenian street, Madras - 1	855, Anna Salai, Madras, 600 002
October 31, 1994	855, Anna Salai, Madras, 600 002	No. 2, Murray Gate Road, Venus Colony, Alwarpet, Madras – 600 018
December 29, 1994	No. 2, Murray Gate Road, Venus Colony, Alwarpet, Madras – 600 018	383, Kamaraj Road, Uppilipalayam Post, Coimbatore- 15
November 24, 2007	* 383, Kamaraj Road, Uppilipalayam Post, Coimbatore- 15	“Bhaskara”, 1 st Floor, No. 28, Pycrofts Garden Road, Nungambakkam, Chennai – 600 006
May 26, 2008	“Bhaskara”, 1 st Floor, No. 28, Pycrofts Garden Road, Nungambakkam, Chennai – 600 006	Kothari Buildings, 4 th Floor, 114 M.G. Road, Nungambakkam, Chennai – 600 064

** In the Form 18 filed by our Company with the Registrar of Companies, the address is inadvertently shown as No. 2, Murray Gate Road, Venus Colony, Alwarpet, Madras – 600 018 instead of 383, Kamaraj Road, Uppilipalayam Post, Coimbatore- 15.*

Shareholders

The total number of Class I Shareholders of our Company as on the date of filing this Draft Red Herring Prospectus is 08.

Class II Equity Shares

We have allotted 25,00,000 Class II equity shares of face value ₹ 10 each at par on August 17, 2010 to Prince Foundations Limited *vide* shareholders agreement dated July 28, 2010. The allotment was approved by the shareholders of our Company at the EGM dated August 17, 2010.

Mergers, Acquisitions and Changes in the management

In the year 1985, Siga Pharma Labs, a proprietary concern dealing in pharmaceuticals formulations of Mr. S. Kasi was acquired by our Company for a consideration of ₹ 399,201.75 as a going concern.

Our company was originally promoted in the name of Siga Pharma Labs Pvt Ltd, by R.M. Sabaratnam, Mr. S. Kasi and Mr. S. Ramaswami, the original subscribers to the memorandum. In year 1985, our Company was acquired by Late K. M. Thyagrajan and his family from the original subscribers to the Memorandum of Association of our Company. In March 2002 Late Tyagarajan and family held 1,81,600 Class I Equity Shares of our Company which were transferred to Mr. K. K. Govindmoorthy who in turn transferred the same to one of our current Promoters, Mr. K. V. Bala and his family. Mr. K.V. Bala was also allotted 45,000 Class I Equity Shares on March 04, 2002. Post the aforementioned

transfer and allotment, the shareholding of Mr. K.V. Bala stood at 99.82% of the then total paid up capital of our Company.

Later, in the year 2008, effective from April, 01, 2008, Full Bloom Investments Private Limited (“**Full Bloom**”), a company incorporated under Companies Act, 1956 merged with our Company *vide* the order of the High Court of Madras dated September 15, 2009 (“**Almagation Order**”) as a going concern. Pursuant to the said Almagation Order of the Honbl High Court, our Company took over the business of Full Bloom including all assets and liabilities which were transferred at book value and vested in our Company with effect from close of business hours on March 31, 2008. The shareholders of Full Bloom were allotted 7 Class I Equity Shares of ₹ 10 each of our Company in respect of every 15 equity shares of ₹ 10 each as held by them at par. Accordingly, 35560 Class I Equity shares of ₹10 were allotted to Shareholders of Full Bloom. For further details, please refer to Chapter titled ‘*Capital Structure*’ beginning on page no. 52 of this Draft Red Herring Prospectus.

Major Events and Milestones

Year	Event
1982	Incorporated as Siga Pharma Labs Private Limited
1985	<ul style="list-style-type: none"> Name changed to Loyal Super Remedies Private Limited Acquired the business of M/s. Siga Pharma Labs
1986	Converted into a public limited company
2002	Name changed to MSKV Remedies Limited
2008	<ul style="list-style-type: none"> Name changed to Ind Eco Ventures Limited Merger of Full Bloom Investments Private Limited in the ratio of 7:15 Acquired the non performing assests of Andhra Bank including WEGs and parcels of land through a competitive price bids Acquired 25.29 acres of land for farming of mangroves
2009	<ul style="list-style-type: none"> Acquired 10.43 acres land for farming of mangroves
2010	<ul style="list-style-type: none"> Applied for 5 MW Solar PV Project under the JNNSM Policy of Government of India operated through NVVN Scheme Entered into a PPA with Prince Foundations Limited for captive consumption of power Entered into a Memorandum of Understanding with PLG Power Limited on October 6, 2010 for setting up, development and supply of a fully operational on-grid photovoltaic Plant, on turn-key basis for generating Electricity using solar energy
2011	<ul style="list-style-type: none"> Obtained certificate of registration from the Government of Gujarat on January 13, 2011 permitting an investment of ₹ 200 crores to set up a 10 MW solar power generation plant in the state of Gujarat.

Details in relation to the Business of our Company

For details in relation to our business including description of our activities, services, market of each segment, our growth, technology, market and capacity built-up please refer to the Chapter titled “*Our Business*” beginning on page 97 of this Draft Red Herring Prospectus.

Objects of our Company

The objects as set forth in the Memorandum of Association of our Company are:

- To Carry on the business of generation energy from wind using Wind Mills, Wind Turbines, Biomass, Solar, Municipal waste, Bio-diesel and other equipments to sell, distribute, supply and share the energy to Governments, Companies, Industries, Electricity boards and Individuals according to the Law for the time being in force and also for self consumption.*
- To provide all kinds of services including installation, commission, operation and maintenance of all kinds of power generation equipments, machineries and plants.*
- To carry on the business of manufacturers, sellers, exporters, importers, dealers, agents, suppliers and assemblers of all kinds of power generation equipments including Wind Mills,*

Wind Turbines, Solar Panels, Solar Modules, Wave Energy Generators, Bio-Mass and Bio-gas plants and all other conventional power generation equipments and spares of power generation equipments.

4. *To provide consultancy and technical know how related to projects in the fields of power generation which are eco friendly and to carry on the business as designers, consultants, turnkey executors of projects including disaster management of projects and plants.*
5. *To purchase, take on lease or otherwise acquire any landed property in India with a view to utilize in such manner as the company may think fit and in particular for erecting equipment for power generation, agricultural or other activities including clearing, draining, fencing, planting, building, improving, and for such other activities.*

Changes in the Memorandum of Association

Since the incorporation of our Company, the following changes have been made to the Memorandum of Association of our Company:

Date of Shareholder Resolution	Details
August 19, 1985	Change in the name clause The name of our Company was changed to Loyal Super Remedies Private Limited.
March 01, 1986	Change in the capital clause The authorised share capital of our Company was increased from ₹ 5 Lakhs to ₹ 75 Lakhs and splitting of each share of ₹ 100 each into 10 Class I Equity Shares of ₹ 10 each. Change in the name clause The Company was converted into a public limited company.
January 09, 2002	Change in the name clause The name of our Company was changed to MSKV Remedies Limited.
March 24, 2008	Change in the objects clause The main objects clause of the Company was altered / added to bring them in consonance with the current business activities replacing clauses 1 to 3 of the main objects with revised clauses 1 to 7.
April 16, 2008	Change in the capital clause The authorised share capital of our Company was increased from ₹ 75 Lakhs to ₹ 1,000 Lakhs. Change in the name clause The name of the Company was changed to Ind Eco Ventures Limited, its present name.
May 26, 2008	Change in the objects clause The main objects clause of the Company was altered / added to bring them in consonance with the current business activities: <i>to establish eco shops, farms with entertainment activities on franchise model, to earn revenues from marketing commission on sale of products. Takeover/acquire eco sites, zoo, animal parks, organized safaris/tourism, sponsorship of rare and endangered species in association with corporate sponsors.</i>
September 15, 2009	Change in the capital clause

Date of Shareholder Resolution	Details
	<p>The authorised share capital of our Company was increased from ₹ 1,000 Lakhs to ₹ 1010 Lakhs*.</p> <p><i>*The said increase was pursuant to the court order dated September 15, 2009 whereby the authorised share capital of Full Bloom Investments Private Limited was combined with the authorised share capital of our Company.</i></p>
July 16, 2010	<p>Change in the capital clause</p> <p>The authorised share capital of our Company was increased from ₹ 1,010 Lakhs to ₹ 1,300 Lakhs and subdivided into:</p> <p>a) 1,00,00,000 Class I Equity Shares of ₹ 10 each; and b) 3,00,00,000 Class II Equity Shares of ₹ 1 each.</p> <p>Change in the objects clause</p> <p>The main objects clause of the Company was altered / added to bring them in consonance with the current business activities replacing the existing clauses 1 to 7 of the main objects with revised clauses 1 to 5.</p>
August 13, 2010	<p>Change in the capital clause</p> <p>Consolidation of 1,300 Lakhs equity shares divided into:</p> <p>a) 1,00,00,000 Class I Equity Shares of ₹ 10 each; and b) 30,00,000 Class II Equity Shares of ₹ 10 each.</p>
October 29, 2010	<p>Change in the capital clause</p> <p>The authorised share capital of our Company was increased from ₹ 1,300 Lakhs to ₹ 1,650 Lakhs divided into:</p> <p>a) 1,20,00,000 Class I Equity Shares of ₹ 10 each; and b) 45,00,000 Class II Equity Shares of ₹ 10 each.</p>
June 29, 2011	<p>Change in the capital clause</p> <p>The authorised share capital of our Company was increased from ₹ 1,650 Lakhs to ₹ 2,050 Lakhs divided into:</p> <p>a) 1,60,00,000 Class I Equity Shares of ₹ 10 each; and b) 45,00,000 Class II Equity Shares of ₹ 10 each.</p>

Injunction or Restraining Order

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

Changes in activities of our Company during the last five (5) years

Our Company has not changed its line of activities in the last five (5) years. For further details, please refer to Chapter titled "Our Business" beginning on page 97 of this Draft Red Herring Prospectus.

Time and Cost Overrun

In respect of projects undertaken by our Company since its incorporation, there have been no time and cost overruns.

Defaults or rescheduling of borrowing

We have not defaulted or rescheduled our borrowings. Furthermore, none of our loans taken from banks and financial institutions have been converted into equity in the past.

Strikes and Labour Unrest

Our Company has not lost any significant time on account of strikes or labour unrest during the last five years.

Subsidiaries

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

Joint Ventures

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

Other Agreements

Except as disclosed in this Draft Red Herring Prospectus, there are no material agreements, apart from those entered into in the ordinary course of business carried on or intended to be carried on by our Company and there are no material agreements entered into by our Company more than two years before the date of this Draft Red Herring Prospectus.

a) *Shareholder's Agreement dated July 28, 2010*

Our Company has entered into a shareholders agreement dated July 28, 2010 ("**Shareholders Agreement**") with Prince Foundations Limited ("**Prince Foundations**"), pursuant to which, Prince Foundations has subscribed to 26% equity capital of our Company and has also become a user member ("**User Member 1**") of the green power ("**Green Power**") generated by our Company as stakeholder for group captive consumption. Prince Foundations has become a User Member 1 in order to use the Green Power generated from our Company's wind mills allotted specifically for its HTSC No. 1751 and HTSC No. 813 as per PPA dated July 21, 2010.

Pursuant to the Shareholders Agreement, the parties have agreed, *inter alia* to the following covenants:

- (a) The Company's business shall be that of generating, selling and supplying Green Power under the Group Captive Scheme from the wind mills located in various places in India and shall be carried on at such other places as may be from time to time as agreed to by our Company's Promoters, that is, Indowind Energy Limited ("**Promoters**");
- (b) User Member 1 shall not have any management role and operational control over the affairs of our Company.
- (c) The Promoters shall be at liberty to include any new member as user members and allow for subscription to their equity share capital by each new user member. The Promoter may establish or acquire proportionate wind mill assets as required for each of the new user members besides using the existing wind mills.
- (d) The user members, User Member 1 and any new user members, if any, agreed to be included in the future, shall together constitute up to 26% of the equity share capital of our Company and shall vary their holding depending upon their power consumption from our Company's wind mills. Our Company shall have the right to allot any new shares or to reduce the holding in the future and decide on the quantity of the Green Power supply without any consent from the User Member 1.
- (e) The User Member 1 shall not sell or transfer or assign or create lien or mortgage or create any encumbrance on all its interest in our Company to anyone without the written consent of our Company and its Promoters at any time for whatever reasons. The Promoters of our Company shall have the exclusive first right of refusal for the purchase or assignment or transfer of the interests of the User Member 1 in our Company at par value/at premium as the case may be to be exclusively decided by our Company under any circumstances. Our Company shall take cognizance of and acceptance thereof of any lien marked on the user member's shareholding and shall act upon the beneficial interests of any representation on such user member's holdings if the same has been carried out with the consent of our Company.

- (f) In case further capital is required for the business of our Company, the same shall be contributed by the Promoters and by all the user members, present or future, on proportionate basis or at equal basis to be agreed upon by the Promoters. Our Company shall not be required to obtain any consent for increasing or reducing its capital or to take any such decisions for and on behalf of our Company.
- (g) User Member 1 and each user members, if any, shall pay their corporate and private debts separately and indemnify the Promoters, our Company and our Company's assets against all legal proceedings, claims or demands in respect thereof.
- (h) User Member 1 agrees to cooperate and sign any documents (like PPA as per TNERC draft, group captive documents like shareholders agreement, power of attorney, etc.) with our Company if such document is required in order to meet Green Power supply commitment as the Shareholders Agreement and for any other compliance purposes, to government authorities, TNERC, TNEB, etc.
- (i) User Member 1 shall not without the written consent of our Company compete with each other in the same business of our Company for which they are members, draw or accept or endorse any bill of exchange or promissory note on account of our Company, dispose of by loan, pledge, sale or otherwise any part of our Company's property, lend money or give credit to or have any dealings on behalf of our Company with any person whom the other user members shall have previously forbidden to trust or deal with.

b) ***Power Purchase Agreement (PPA) dated July 21, 2010***

Pursuant to the Shareholders Agreement above, our Company has entered into a PPA dated July 21, 2010 with Prince Foundations ("**User Member 1**"). Our Company has established a wind power plant with an installed capacity of 4.5 MW with H.T. SC. Nos. 1032, 1033, 1329, 1329, 1330, 1331, 1332 in Tirunelveli district in the State of Tamil Nadu with 6 turbines of 0.75 MW generating capacity each ("**Project**"). Our Company shall sell the electricity generated by the Project to various consumers including the User Member 1. The initial term of the PPA dated July 21, 2010 is 10 years from the actual COD and the same may be agreed with mutual agreement and the same can be terminated by giving six months notice in advance by either party. User Member 1 shall purchase the Contracted Quantity of the Green Power from our Company. The terms of the PPA dated July 21, 2010 *inter alia* include:

- (a) Our Company shall endeavour to supply the Contracted Quantity to the User Member 1 at Delivery Point.
- (b) To the extent the User Member does not consume the energy injected on its account by our Company, such a shortfall in consumption shall be ranked with TNEB to our Company's account.
- (c) The User Member shall not resale or otherwise divert any part of the energy supplied by our Company in any manner whatsoever except giving power to his client/ occupants within the complex, can also use the banking mechanism with TNEB.
- (d) It is agreed by the User Member that power supplied by our Company shall be accorded first priority and precedence in terms of consumption and payment, over any other supplier of power, including TNEB.
- (e) Our Company shall organise operation and maintenance of the Project in coordination with contractors appointed by it so as to ensure optimum utilisation of the wind resources in accordance with:
 - Prudent Utility Practices;
 - Applicable Laws;
 - The manuals, instructions and manufacturer's guidelines supplied by construction contractors and manufacturers of equipments etc.; and
 - The grid technical limits.

- (f) Our Company shall at least 30 days prior to the COD of the Project submit to the User Member the proposed plan for Scheduled Outage for the next two Quarters, thereafter on the first day of every Quarter, our Company shall submit to the User Member its proposed plan for scheduled outages for the Project for the next Quarter. In the event that the Scheduled Outages are statutorily mandated or are necessary due to any other requirements, our Company shall inform the User Member at least 1 month in advance for planned outages in excess of 3 consecutive days and at least 1 week in advance for planned outages of lesser duration.
- (g) In the event that circumstances warrant a Maintenance Outage, Our Company shall inform the User Member at least 15 days prior to the proposed maintenance outages, of such circumstances and the proposed commencement and estimated duration of Maintenance Outage. Our Company shall have the right to schedule and conduct such Maintenance Outage at the time informed by our Company. Our Company shall however ensure that, every maintenance outages does not exceed a continuous period of seven days and that maintenance outages does not occur more than once every quarter. Our Company shall cause to pay the maintenance charges not less than 15% on the TNEB based tariff and the utility production cost as applicable.
- (h) In the event that TNEB does not evacuate due to technical problems or capacity overload in the grid, our Company will inform the User Member and restore supply as early as possible.
- (i) The price to be paid by the User Member, for all the power made available by the Company at the Delivery Point, shall be based on the TNERC approved Purchase Price which is equivalent to the TNEB HT III Commercial Tariff applicable across all slabs (“**Purchase Price**”). Any statutory taxes, charges or duties on the Purchase Price shall be borne by the User Member. Purchase Price shall be revised in future as per the retail tariff applicable to HT III (Commercial Tariff) approved by TNERC and adopted by TNEB. Any charges levied by TNEB such as wind mill service charge will be paid by our Company.
- (j) Any statutory taxes, duties, demand charges, rent, cess or any other kind of imposition(s) whatsoever imposed/charged by GoI or GoTN but not limited to above and / or any other local bodies/ authorities in relation to supply of electricity to the User Member, shall be borne by the User Member.
- (k) Our Company shall enter into a wheeling arrangement with the TNEB for wheeling of power from the Delivery Point to the User Member. The wheeling charges for transmission of power from the Delivery Point to the user Member shall be paid by our Company to the TNEB in kind or cash as the case may be.
- (l) Our Company shall supply 90% of the Contracted Quantity to the User Member within the high wind period of 7 months from April to October. However, in the event that the User Member is unable to consume its Contracted Quantity, then it shall have the option to bank the unutilised portion of its Contracted Quantity with TNEB.
- (m) Our Company shall enter into banking arrangement with the TNEB and the User Member shall be able to Bank the power it is not able to consume. However, all banking charges, in kind (presently 5% of energy banked) or in cash, will be borne by our Company. Notwithstanding any banking of power on account of User Member, our Company shall bill the User Member for the total Units of energy based on the credit given by TNEB in electricity bill of the User Member for power injected into the grid and wheeled to the delivery point on User Member’s account.
- (n) Our Company shall at its own cost, install and maintain Main and Check Meters at its Delivery Point to accurately record export and import of power from the Project. The metering system shall be tested, maintained and owned by our Company.
- (o) The energy supplied by our Company, in accordance with intimation to TNEB, at the Delivery Point shall be considered to be the energy supplied to TNEB to be wheeled to the user Member for consumption. Further, the User Member shall pay Purchase Price based on energy credit given by TNEB in electricity bill of the User Member for power injected into the grid and wheeled to the Delivery Point on User Member’s account.

- (p) TNEB and our Company will jointly read the meter and the User Member will be billed based on the credit given by the TNEB in electricity bill of the User Member for power injected on its account by our Company. The Main Metering System and the Check Meters shall be sealed by the representatives of our Company in the presence of representatives of the TNEB.
- (q) The User Member shall be billed on a monthly basis for the power credit given by TNEB in electricity bill of the User Member for power injected into the grid on its account by our Company. Our Company shall send to the User Member at its designated office, (or send by post/fax/e-mail to the designated representative of the User Member). The invoice for the previous month within seven days of meter reading, which reading will be made on the 27th of every month (in accordance with the billing system adopted by the TNEB). The User Member shall make payment (by ECS or by NEFT or by RTGS) against the invoices raised by our Company, within a period of seven days from the date of receipt of the invoice by the User Member (“Due Date of Payment”). Late payments, after Due Date of Payment shall carry, for the period of delay interest of 1.25% per month, calculated for the period of delay expressed in number of days on the unpaid amount of the invoice, till the recovery of all dues including interest on delayed payment. Any payment received shall first be appropriated towards interests on overdue payments. In case payment is not effected within 60 days of due date our Company will have the right to summarily discontinue and disconnect the supply forthwith.
- (r) The occurrence and continuation of any of the following events shall *inter alia* constitute our Company’s events of default:
- If our Company willfully or recklessly fails in material respect to operate and maintain the Project in accordance with Prudent Utility Practices as per the requirements of this PPA;
 - Abandonment of the operation of the Project or failure on the part of our Company to operate the Project for a continuous period of 90 days other than due to a force majeure event or User Member of Default;
 - More than three months delay in Actual COD from Planned COD or such other extended period as may be mutually agreed between the Parties.
- (s) The occurrence and continuation of any of the following events shall *inter alia* constitute a User Member’s event of default:
- Failure to make payment of undisputed amount of the monthly invoice amounting to Rupees Ten Lakhs (₹ 10,00,000) and above within 30 days after the Due Date of Payment;
 - Failure to maintain its original quantum of shares in the equity shareholding of our Company throughout the term of this PPA, unless the shareholding is transferred by the User Member in accordance with the provisions of the Shareholder’s Agreement.

For the purposes of the above PPA, the following terms have been defined below:

- “Prudent Utility Practice” means those practices, methods, techniques and standards as prevalent from time to time, that are generally accepted internationally for use in electrical utility industries (specially taking into account conditions in India) and commonly used in prudent electric utility engineering and operations to design, engineer, construct, test, operate and maintain equipment lawfully, safely, efficiently and economically as applicable to power stations of size, service and type as that of the Project and that generally conforms to manufacturer’s operation and maintenance guidelines.
- “Applicable Laws” means, in relation to this PPA, all laws including Electricity Laws in force, statute, decree, ordinance, regulation, notice, circular, code, rule or direction, or any interpretation of any of them by a Governmental Instrumentality and includes all applicable rules, regulations, orders, directions, notifications by a Governmental Instrumentality pursuant to or under any of them.
- “Actual COD” means the actual date of commencement of commercial wheeling as certified by the TNEB

- “Quarter” means any of the following four 3 monthly periods of a Fiscal Year:
 - “Quarter 1” means period from 1st April to 30th June
 - “Quarter 2” means period from 1st July to 30th September
 - “Quarter 3” means period from 1st October to 30th December
 - “Quarter 4” means period from 1st January to 30th March
- “Scheduled Outage” means a planned interruption of the generating capability of the Project:
 - For inspection, testing, preventive maintenance, corrective maintenance, repairs, replacements and improvements; and
 - Which is not a Maintenance Outage
- “Maintenance Outage” means an interruption or reduction in the generating capability of the Project that:
 - is not a Scheduled Outage;
 - has been scheduled and informed by our Company; and
 - is for the purpose of performing work on specific components, which, in the reasonable opinion of our Company, cannot be postponed until the next Scheduled Outage.
- “Delivery Point” means a period of 24 consecutive hours beginning at [00-00] hours on each day.
- “Units” means kilowatt hour or kWh.
- “Main Metering System” means all meter(s) and metering devices owned by our Company and installed at the Delivery Point for measuring and recording the delivery and receipt of energy.
- “Check Meters” means the meters connected in parallel to the same core of the current transformers (CTs) and potential transformers (PTs) to which the Main Metering System is connected and which could be used for energy accounting and billing in case of failure of the Main Metering System.
- “Contracted Quantity” means power to be delivered to the account of User Member by our Company at the Delivery Point.
- “High Tension” or “HT” means a voltage equal or higher than 400/400 volts.

c) ***Memorandum of Understanding dated October 06, 2010***

Our Company has entered into a Memorandum of Understanding (“MOU”) dated October 06, 2010 with PLG Power Limited (“**PLG**”) for setting up, development and supply of a fully operational on-grid photovoltaic Plant, on turn-key basis for generating Electricity using solar energy, to our Company at the site in India to be designated by our Company, including in the State of Gujarat. The terms of the MOU dated October 06, 2010 *inter alia* include:

- (a) PLG has agreed to set up, develop and supply fully operational on-grid PV plant, on turn-key basis for generating Electricity using solar energy, to our Company at the site in India to be designated by our Company, including in the State of Gujarat.
- (b) The total cost of the 5 MW project has been agreed to be ₹ 9,000 Lakhs.
- (c) The total cost of the project shall not exceed R. 1,800 Lakhs per MW.
- (d) PLG agrees to provide feasibility report, appraised, detailed project report and all the requisite equipments to our Company.

- (e) PLG has guaranteed that the said Plant shall generate at least a total of 1.8 million units of electricity per MW per annum. There will be a reduction of 0.7% of energy every year due to degradation of the Solar PV modules.
- (f) The minimum ticket size of the project is 10 MW, divided into phases of 5 MW in each location as per the choice and comfort of the developer.
- (g) PLG has agreed to undertake the O&M of the plant at its own risk and cost for the initial 2 years' period.
- (h) In the event of termination of this MOU, our Company would be entitled to a refund of all amounts already paid to PLG.

Guarantees given to third parties

Our Promoters have not given any Guarantees to third parties

Strategic Partners

Our Company has not entered into any arrangements with any strategic partners as on the date of filing this Draft Red Herring Prospectus.

Financial Partners

Our Company has not entered into any arrangements with any financial partners as on the date of filing this Draft Red Herring Prospectus.

OUR MANAGEMENT

Under the Articles of Association of our Company, we are required to have not less than three (3) Directors and not more than twelve (12) on its Board, subject to Section 252 of the Companies Act, 1956. As on date of this Draft Red Herring Prospectus, we have four (4) Directors on our Board, of which one is a Chairman and Non-Executive director, one is a Whole Time Director and two are independent directors.

The Board of Directors of our Company

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

Name, age designation, Father's name, address, occupation, DIN and nationality	Date of Appointment	Other Directorships/Partnerships/HUF/Trusts
Mr. K. V. Bala, 46 years Chairman (Non- Executive and Non-Independent) S/o Late Mr. K. R. Venkataraman Address: Flat No. 101, First Floor, Arjuna Towers, 2 Mt. Mary Road, Bandra (W) Mumbai – 400 050 Maharashtra Occupation: Business DIN: 00765036 Nationality: Indian	May 26, 2008 Liable to retire by rotation	<ul style="list-style-type: none"> ▪ Bewind Power Private Limited ▪ Indonet Global Limited ▪ Bekae Properties Private Limited ▪ Ravello Advertising Private Limited ▪ Soura Capital Private Limited ▪ Indowind Energy Limited ▪ Indus Finance Corporation Limited ▪ Loyal Credit & Investments Limited ▪ Indowind Power Private Limited ▪ Indus Capital Private Limited ▪ Indus Nutri Foods Private Limited ▪ Subuthi Investments Private Limited ▪ M.I. Personal Care Private Limited ▪ Indowind Chitradurga Project 1, LLP ▪ K.V. Bala (HUF) ▪ BVK Global Foundation
Mr. V. Kannappan, 57 years (Executive and Non-Independent) S/o Mr. Vellaiappan Kannappan Address: B-8, Hiranya Pats, No-67, Greenways Road Extn, R.A. Puram, Chennai – 600 028 Tamil Nadu Occupation: Service DIN: 00834036 Nationality: Indian	Appointed for a period of three years with effect from October 29, 2010 Non retiring Director	<ul style="list-style-type: none"> ▪ Indonet Global Limited ▪ Cindia Theaters Private Limited ▪ Cosmo Polis Properties Private Limited ▪ Angio Care Private Limited
Mr. Niranjan Raosaheb Jagtap, 64 years Director (Non -Executive and Independent) S/o Mr. Raosaheb Amritrao Jagtap	October 22, 2010 Liable to retire by rotation	<ul style="list-style-type: none"> ▪ Indowind Energy Limited ▪ Indowind Power Private Limited ▪ Indus Capital Private Limited

Name, age designation, Father's name, address, occupation, DIN and nationality	Date of Appointment	Other Directorships/Partnerships/HUF/Trusts
Address: A-15/16, Munjal Nagar, Eastern Express Highway, Chembur, Mumbai – 400 089 Maharashtra Occupation: Advocate DIN: 01237606 Nationality: Indian		
Mr. K. K. Gnana Prabakaran, 59 years Director (Non-Executive and Independent) S/o Mr. K. V. Krishnier Address: 5 A Pankajam Colony, 4 th Cross Street, New Teppakulam Colony, Madurai – 625 009 Tamil Nadu Occupation: Business DIN: 00918669 Nationality: Indian	June 7, 2008 as an additional director and reappointed as a director with effect from September 19, 2008 Liable to retire by rotation	<ul style="list-style-type: none"> ▪ Varuni Chemicals Private Limited ▪ Varuni Biomass Energy Products Private Limited ▪ K-Fam Information Technology Private Limited ▪ Kuttuva Silicates ▪ Lovely Ad's

Note:

1. None of the above mentioned Directors are on the RBI List of wilful defaulters as on date.
2. All the Directors of our Company are Indian nationals and none of our Directors are related to each other.
3. None of the Directors of our Company are / were Directors of listed companies the shares of which have been / were suspended from being traded on BSE and / or NSE at any time during the last 5 years from the date of this DRHP.
4. Further, none of the Directors of our Company are / were Directors of listed companies which have been / were delisted on the BSE and/or NSE and/or any other stock exchanges.

Brief Profile of the Directors of our Company

Mr. K. V. Bala, aged 46 years, is the Promoter and the Non-Executive Chairman of our Company. He holds a Bachelor's degree in Technology from Anna University and a Master's degree in Business Administration from Bhartidasan Institute of Management and has completed Advanced Management Programme from Stanford University, USA. He has over 20 years of business experience in the areas of renewable energy project management, investment banking, corporate lending and merchant banking. Further, he has promoted a number of companies and ventures apart from our Company including our Corporate Promoter Loyal Credit & Investments Limited. He is the guiding force behind the strategic decisions and is duly assisted by a team of qualified and experienced professionals. He was inducted on the Board of our Company on May 26, 2008.

Mr. V. Kannappan, aged 57 years, is an Executive Director in our Company. His name was changed from R.M. Chidambram to V. Kannappan vide Tamil Nadu Government Gazette notification dated

May 29, 1974. He holds a Bachelor's degree in Science from the Madurai University. He is mainly responsible for business planning and promotion for our Company. He has over 25 years of experience in customer relationship management and banking. He is in charge of assessment of business proposal, loans and advances including credit appraisal. He was inducted on the Board of our Company on October 29, 2010.

Mr. Niranjan Raosaheb Jagtap, aged 65 years, is an Independent Director of our Company. He holds a Bachelor's degree in Law from the Mumbai University and is enrolled as an advocate to the Bar Council of Maharashtra & Goa since 1971. He is also registered as an advocate on the original side of the High Court of Bombay since 1981. He was appointed as Notary-Greater Bombay by the Government of Maharashtra in 1983. He has been a practising lawyer with Niranjana Jagtap & Co. since 1983. He was inducted on the Board of our Company on October 22, 2010.

Mr. K.K. Gnana Prabakaran, aged 59 years, is an Independent Director of our Company. He holds a Bachelor's degree in Electronic and Communication Engineering from the University of Madras. He also holds a Post Graduate Diploma in Financial Management from Pondicherry University. He has over 30 years of experience in the chemical processing industry. He is a director in Varuni Group of Industries and a proprietor in Kuttuva Silicates & Lovely Ad's, which is into manufacturing of detergent chemicals and special silicates. Previously, he has been the Chairman of Maditssia Foundation Trust and Hon. General Secretary of Sourashtra Chamber of Commerce. He was inducted on the Board of our Company on June 07, 2008.

Borrowing power of the Board

As per the Articles, the Board is authorised to borrow moneys, where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's banker in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves, i.e., reserves not set apart for any specific purpose.

Pursuant to a special resolution passed at the Extra-ordinary General Meeting of our shareholders held on October 29, 2010 our Directors were authorised to borrow money(s) on behalf of our Company in excess of the paid up share capital and the free reserves of our Company from time to time, pursuant to the provisions of Section 293(1)(d) of the Companies Act, subject to an amount not exceeding ₹ 500 crores.

Remuneration/Compensation of Directors

i. Whole Time Director

Terms and Conditions of Employment of the Directors

Mr. V. Kannappan was appointed as a Whole Time Director by the shareholders of our Company at the EGM held on October 29, 2010, for a period of three years beginning October 29, 2010 on the following terms:

Tenure	3 years with effect from October 29, 2010 expiring on October 28, 2013.
Basic Salary	₹ 75,000 per month inclusive of dearness allowance, if any.
Perquisites	Medical benefits: Expenses incurred for self and family subject to a maximum of ₹ 15,000 in a year Leave travel concession: For self and family, once in a year incurred as per the rules specified by the Company i.e. subject to a maximum of 10% of annual basic pay Other amenities: Entitlement to Company's car with driver for office purposes
Other Terms and Conditions	The Company shall reimburse actual entertainment and travelling expenses incurred in the course of Company's business. Leave for the period as per the rules of the Company.

	<p>Not entitled to the sitting fees for attending meetings of the Board of Directors of the Company.</p> <p>So long as appointed as the whole time Director of the Company, shall not become interested or otherwise concerned directly or through his wife or minor child in any selling agency of the Company without the prior approval central government.</p>
Termination	The agreement may be terminated by the Company or Mr. Kannappan by giving notice in writing not less than three months before such termination.

ii. Independent Directors

Our independent Directors are entitled to sitting fees for attending meetings of the Board, or of any committee of the Board. Currently, the sitting fees payable by our Company to our Directors is ₹ 2,000 each for every meeting of the Board and committee of the Board attended by them.

We have not paid any sitting fees to any of the Directors for FY 11.

Shareholding of Directors in our Company

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

Name of the Directors	Number of Class I Equity Shares	% of Class I Pre- Issue Paid-up Capital
Mr. K.V. Bala	9,49,260	12.50

None of our Directors or Key Managerial Personnel are “relatives” within the meaning of Section 6 of the Companies Act.

Interest of Directors

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

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

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

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

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

Our directors do not have any interest in any property acquired by our Company before the date of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of this Draft Red Herring Prospectus. For further details please refer to paragraph titled “*Property*” in the Chapter titled “*Our Business*” on page 97 of this Draft Red Herring Prospectus.

Further, save and except as stated otherwise in “*Statement of Transactions with Related Parties*” in the Chapter titled “*Financial Statements*” on page 191 and under the paragraph titled “*Interest of Promoter*” in the Chapter titled “*Our Promoter Group and Group Companies*” on page 142, our directors do not have any other interests in our company as on the date of this Draft Red Herring Prospectus. Our Directors are not interested in the appointment of Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

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

Details of Service Contracts

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

Bonus or Profit Sharing Plan for the Directors

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

Contingent and Deferred Compensation payable to Directors

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

Changes in the Board for the last three years

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

Name of Director	Date of Appointment	Date of Cessation	Reason for Change
Mr. K.R. Loganathan	February 8, 2002	October 22, 2010	Other commitment
Mr. K.V. Bala	May 26, 2008	--	Appointment as a Director
Mr. K.K. Gnana Prabhakaran	June 07, 2008	--	Appointment as a Director
Mr. N. R. Jagtap	October 22, 2010	--	Appointment as a Director
Mr. V. Kannappan	October 29, 2010	--	Appointment as a Whole Time Director

Corporate Governance

The provisions of the listing agreements to be entered into with the Stock Exchanges with respect to corporate governance and the SEBI ICDR Regulations in respect of corporate governance become applicable to our Company at the time of seeking in-principle approval of the Stock Exchanges. Our Company has complied with the corporate governance code in accordance with Clause 49 such Listing Agreement, particularly those relating to composition of Board of Directors, constitution of committees such as Audit Committee, Remuneration and Shareholder / Investor Grievance Committee. Our Board

functions either as a full board or through various committees constituted to oversee specific operational areas. Further, Our Company undertakes to take all necessary steps to comply with all the requirements of Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges.

Composition of Board of Directors

Presently, the Board of Directors of our Company consists of four Directors, of which one is a Chairman and Non-Executive director, two are independent directors and one is a Whole-Time Director. In compliance with the requirements of Clause 49 of the listing agreement, at least 50% of the Board comprises independent Directors. The list of the Directors is given below:

Sr. No.	Director	Designation
1.	Mr. K.V. Bala	Chairman (Non-Executive)
2.	Mr. V. Kannappan	WholeTime Director
3.	Mr. K.K. Gnana Prabhakaran	Independent
4.	Mr. Niranjan Raosaheb Jagtap	Independent

Various Committees of Directors:

1. Audit Committee
2. Investors Grievance Committee
3. IPO Committee

1. Audit Committee

The Audit Committee was constituted *vide* Board resolution dated November 12, 2010 under the Chairmanship of Mr. Gnana Prabhakaran. The terms of reference of the Audit Committee cover the matters specified under Section 292A of the Companies Act and clause 49 of the Listing Agreement. The Audit Committee consists of the following Directors:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Gnana Prabhakaran	Chairman	Non Executive, Independent
Mr. Niranjan Jagtap	Member	Non Executive, Independent
Mr. V. Kannappan	Member	Executive, Non Independent

The Audit Committee enjoys the following powers:

- To invite such of the executives, as it considers appropriate (and particularly the head of finance function) to be present at the meetings of the Committee;
- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with reasonable expertise, if considered necessary.

The scope of Audit Committee shall include but shall not be restricted to the following:

- Overseeing our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 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;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Appointment, removal and terms of remuneration of internal auditors;
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

- 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;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to the financial statements;
 - Disclosure of any related party transactions;
 - Qualifications in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
 - Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - Monitoring the use of the proceeds of the proposed initial public offering of the Company;
 - Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
 - 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;
 - Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors;
 - Discussion with internal and statutory auditors on any significant findings and reviewing findings of internal investigations by internal auditors, like matters of fraud or irregularity or failure of internal control systems, if any;
 - 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;
 - Discussion with the 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;
 - 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;
 - To review the functioning of the Whistle Blower mechanism, when the same is adopted by the Company and is existing;
 - Carrying out any other function as may be statutorily required to be carried out by the Audit Committee.

The Audit Committee shall mandatorily review the following information:

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

Our Company Secretary, Ms. J. Bhuvaneswari shall be secretary to the committee.

2. Investors Grievance Committee

For redressing the Shareholder/Investor complaints, the Company constituted Investors Grievance Committee *vide* resolution dated November 12, 2010 as per the requirements of Clause 49 of the Listing Agreement for Corporate Governance. The Committee consists of the following members:

Name of the Director	Designation in the Committee	Nature of Directorship
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Mr. Gnana Prabhakaran	Chairman	Non Executive, Independent
Mr. Niranjana Jagtap	Member	Non Executive, Independent
Mr. K. V. Bala	Member	Non Executive, Non Independent

This Committee will address all grievances of Shareholders and Investors in compliance of the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges and its terms of reference include the following:

- Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer Equity Shares and issue of duplicate/split/consolidated share certificates;
- Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/transmission of shares and debentures;
- Allotment and listing of shares in future;
- Review of cases for refusal of transfer / transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances; and
- Ensure proper and timely attendance and redressal of investor queries and grievances.
- To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

Our Company Secretary, Ms. J. Bhuvaneshwari shall be secretary to the committee.

3. IPO Committee

The IPO Committee was constituted *vide* Board resolution dated November 12, 2010 under the Chairmanship of Mr. Niranjana Jagtap. The terms of reference of the IPO Committee cover the matters specified under clause 49 of the Listing Agreement. The IPO Committee consists of the following Directors:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Niranjana Jagtap	Chairman	Non-Executive, Independent
Mr. Gnana Prabhakaran	Member	Non-Executive, Independent
Mr. K.V. Bala	Member	Non-Executive, Non Independent

The broad terms of reference of the IPO Committee of our Company includes:

- Evaluating the viability of the proposed IPO of our Company *vis-a-vis* market conditions, investors' interest and recommend to the Board on the timings of the proposed IPO, the number of equity shares that may be offered under the Issue, including pursuant to any Green Shoe Option and any rounding off in the event of any oversubscription as permitted under the SEBI ICDR Regulations, the objects of the Issue, allocation of the Equity Shares to a specific category of persons and the estimated expenses on the Issue as percentage of Issue size;
- Identify, appoint and instruct suitable persons, as the committee may think fit, as Book Running Lead Managers and Co-Book Running Lead Managers to the Issue, Legal Counsels to the Issue, escrow collection banks, bankers to the Issue, brokers, sub brokers, syndicate members, placement agents, managers, underwriters, guarantors, escrow agents, credit rating agencies, monitoring agencies, accountants, auditors, depositories, trustees, custodians, advertising agencies and all such persons or agencies as may be involved in or concerned with the Issue, including any successors or replacements thereto and to negotiate and finalize the terms of their appointment, including mandate letter, negotiation, finalization and execution of the memoranda of understanding etc.;
- Remunerating all such intermediaries, advisors, agencies and persons as may be involved in or concerned with the Issue, if any, by way of commission, brokerage, fees or the like;

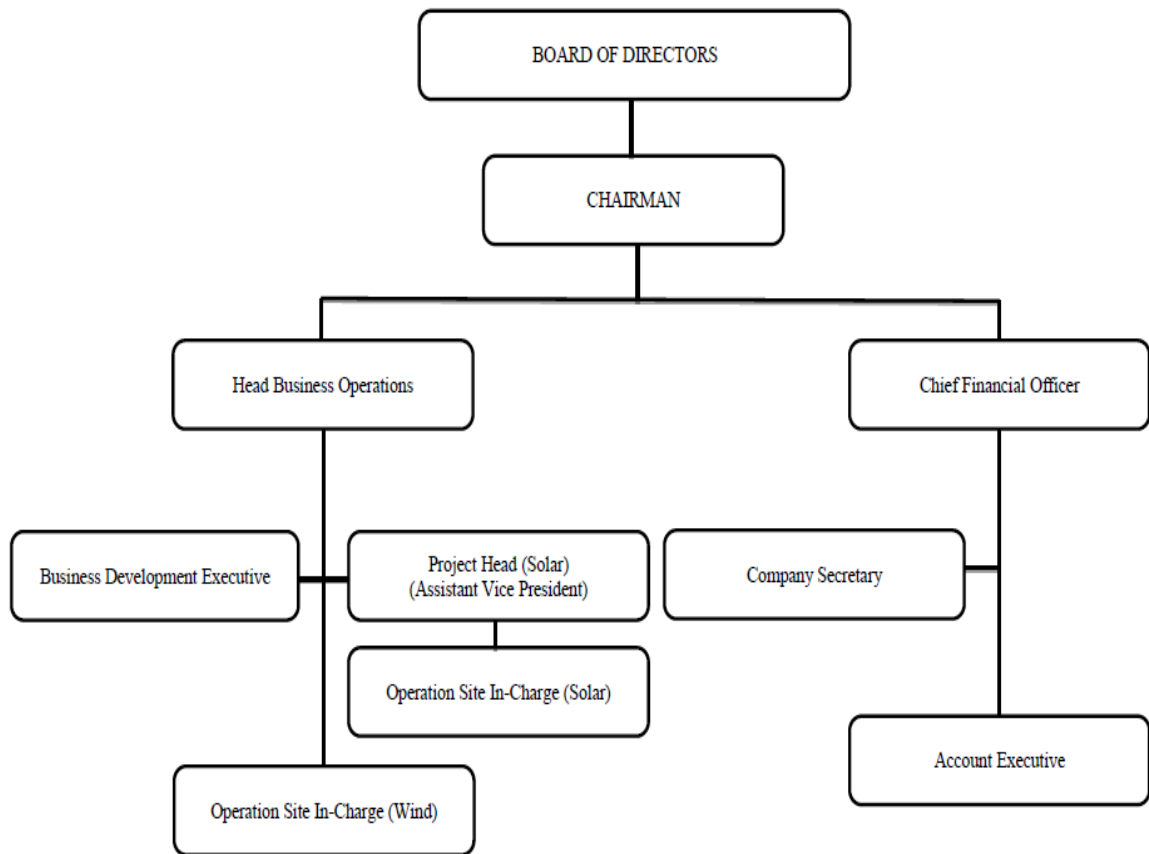
- Guiding the intermediaries in the preparation and finalization of this draft red herring prospectus, the red herring prospectus, the prospectus and the preliminary and final international wrap, and approving such documents, including any amendments, supplements, notices or corrigenda thereto, together with any summaries thereto;
- Finalizing and arranging for the submission of this draft red herring prospectus, the red herring prospectus, the prospectus and the preliminary and final international wrap and any amendments, supplements, notices or corrigenda thereto, to the SEBI, the Stock Exchanges and other appropriate government and regulatory authorities, institutions or bodies;
- Approving a code of conduct as may be considered necessary by the Board or the IPO Committee or as required under Applicable Laws for the Board, officers of our Company and other employees of our Company;
- Approving a suitable policy on insider trading as required under Applicable Laws;
- Approving any corporate governance requirement that may be considered necessary by the Board or the IPO Committee or as may be required under Applicable Laws in connection with the Issue;
- Opening bank accounts, share/securities accounts, escrow or custodian accounts, in India or abroad, in ₹ or in any other currency, in accordance with applicable laws, rules, regulations, approvals and guidelines, including the SEBI ICDR Regulations;
- Seeking the listing of the Equity Shares on the Stock Exchanges, submitting listing applications to the Stock Exchanges and taking all such actions as may be necessary in connection with obtaining such listing, including, without limitation, entering into the listing agreements;
- Seeking the admission of our Company's Equity Shares into Central Depository Services (India) Limited and National Securities Depository Limited and taking any further action as may be necessary or required for the dematerialization of our Company's Equity Shares;
- Determining and finalizing the price band for the Issue, any revision to the price band and the final Issue Price after bid closure;
- Determining the bid opening and closing dates;
- Approving and finalizing the basis of allocation and confirming the allocation/allotment/transfer of Equity Shares to the various categories of persons as disclosed in this draft red herring prospectus, the red herring prospectus and the prospectus, in consultation with the book running lead managers and co-book running lead managers, the Stock Exchanges and/or any other entity;
- Determining the price at which the Equity Shares are offered or issued/allotted to investors in the Issue;
- Allotment/transfer of the Equity Shares;
- Authorising/ delegate power to the representative of our Company to seek necessary action for the purpose of the IPO.

Our Company Secretary, Ms. J. Bhuvaneshwari shall be secretary to the committee.

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

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

MANAGEMENT ORGANISATION CHART



KEY MANAGEMENT PERSONNEL

In addition to our Whole Time Director, following are our key managerial employees:

Mr. A. Raja Sukumar, aged 47 years, is the Executive Vice-President of our Company. Mr. A. Raja Sukumar joined our Company on July 1, 2010. He holds a post graduate degree in Management with specialization in Finance and Marketing from Bharathidasan Institute of Management, Trichy. He has also passed the insurance brokers examination and qualified under the stream of composite broker, an examination conducted by the National Insurance Academy. He has 22 years of experience as a finance specialist and a business strategist with extensive hands on experience in Alternate Energy Project Implementation. His area of exposure includes developing wind farms and turnkey projects, corporate lending, project financing, loan syndication, assets and portfolio management. Prior to joining our Company, he was associated with Indus Finance Corporation Limited. At present, he is overall in-charge of project implementation including resource mobilisation. His gross remuneration paid during FY 10-11 was ₹ 5.72 Lakhs.

Mr. K.K. Dinakar, aged 48 years, is the Chief Finance Officer and Compliance Officer of our Company. He has been transferred from one of our listed Group Companies, Indowind Energy Limited with effect from April 01, 2011. The transfer was made effective *vide* resolution passed by the Board dated February 10, 2011. He holds a bachelor's degree in Commerce from Madras University. He is also a qualified company secretary from the Institute of Company Secretaries of India. Previously, he was associated with Viari exports, Multitech International Limited and is also associated with Indowind Energy Limited and Indus Finance Corporation Limited. He has 24 years of experience in handling finance and accounts. At present, he is responsible for looking after the entire finance and accounts of our Company. Mr. K.K. Dinakar joined our Company on April 01, 2011 and hence no remuneration was paid to him for FY 10-11 by our Company.

Mr. D.R. Sridhar, aged 44 years, is the Assistant Vice President of our Company. Mr. Sridhar joined our Company on February 6, 2011. He holds a Bachelor's degree in Engineering in Electronics and Communication from Bharathiar University, Coimbatore. He has 22 years of technical experience in project implementation. Previously, he has been associated with companies like BPL Systems and Projects Limited, Texmaco Micro Indo Utama, Quest Smartech Private Limited, MerlinHawk Aerospace Private Limited and Jenesis Technologies Private Limited. At present he is responsible for achieving the goals of the Company particularly with respect to implanting the solar projects as the technical specialist and coordinating with the suppliers/ contractors for smooth project implementation. His gross remuneration paid during FY 10-11 was ₹ 1.18 Lakhs.

Mr. V. Ramanathan, aged 27 years, is the Manager of our Company. Mr. V. Ramanathan joined our Company on July 2, 2010. He holds a Bachelor's degree in Engineering with specialization in production from National Institute of Technology, Trichy. He also holds post graduate degree in Management with specialization in Finance from Bharathidasan Institute of Management, Trichy. He has 3 years of experience in handling wind and solar power projects, financial projections and preparing teasers. Prior to joining our Company, he was associated with ICICI Bank Limited, Bajaj Auto Limited and Loyal Credit & Investments Limited. At present, he is responsible for coordinating all business and financial activities including formulation of strategy, financial modelling and feasibility analysis for various projects, valuing the Company's project and business operations, preparing teasers for investors in our Company. He is also responsible for equipment supplier coordination and preparing documentation for CDM activities. His gross remuneration paid during FY 10-11 was ₹ 2.14 Lakhs.

Ms. J. Bhuvaneswari, aged 36 years, is the Company Secretary of our Company. Ms. J. Bhuvaneswari joined our Company on October 22, 2010. She is a qualified Company Secretary from the Institute of Company Secretaries of India and also holds a Bachelor's degree in Commerce from Chellammal Women's College, Guindy. Prior to joining our Company, she was working with Bharat Textiles and Proofing Industries Limited. She has an overall experience of 3 years in the field of secretarial compliances and RoC matters. At present, she is responsible for looking after the secretarial matters of our Company. Her gross remuneration paid during FY 10-11 was ₹ 1.25 Lakhs.

Notes:

- All of our key managerial employees mentioned above are on the payrolls of our Company as permanent employees.
- There is no agreement or understanding with major shareholders, customers suppliers or others pursuant to which any of the above mentioned personnel was selected as a director or member of senior management.
- None of the key personnel mentioned above are related to each other or to the Promoters/Directors of our Company.

Details of Service Contracts of our Key Management Personnel

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

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

Our Company does not have any bonus and / or profit sharing plan for the Key Managerial Personnel.

Contingent and Deferred Compensation payable to Key Managerial Personnel

No Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

Shareholding of the Key Management Personnel

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

Interest of Key Management Personnel

None of our Key Management Personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled from our Company as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Class I Equity Shares held by them in our Company.

Changes in our Company's Key Management Personnel during the last three years

Sr. No.	Project/Department	Designation	Date of Appointment	Date of cessation	Reason
1.	Mr. A. Rajasukumar	Executive Vice President	July 1, 2010	--	Appointment
2.	Mr. K. K. Dinakar	Chief Financial Officer and Compliance Officer	April 01, 2011	--	Appointment
3.	Mr. D.R. Sridhar	Assistant Vice President	February 06, 2011	--	-- Appointment
4.	Mr. V. Ramanathan	Manager	July 02, 2010	--	Appointment
5.	Ms. J. Bhuvaneswari	Company Secretary	October 22, 2010	--	Appointment

Scheme of Employee Stock Options or Employee Stock Purchase

Our Company does not have any scheme of employee stock option or employee stock purchase.

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

Except for the payment of salaries and perquisites and reimbursement of expenses incurred in the ordinary course of business, and the transactions as enumerated in the Chapter titled "*Financial Statements*" and the Chapter titled "*Our Business*" beginning on pages 165 and 97 of this Draft Red Herring Prospectus, we have not paid/ given any benefit to the officers of our Company, within the two preceding years nor do we intend to make such payment/ give such benefit to any officer as on the date of this Draft Red Herring Prospectus.

Retirement Benefits

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

OUR PROMOTER GROUP AND GROUP COMPANIES

Our Company has been promoted by the following:

1. Mr. K.V. Bala
2. Loyal Credit and Investments Limited

Details of our Promoters are given in the following table:

Individual Promoter

1. Mr. K.V. Bala, Chairman



Identification	Details
PAN	AVHPK6576H
Passport No.	Z1758737
Driving Licence Number	8789/TN059/2005
Voters ID	URT0137489
Address	Flat No. 101, Arjuna Towers, Mount Mary Road, Bandra (West), Mumbai- 400 050

Mr. K. V. Bala, 46 years, holds a Bachelors degree in Technology from Anna University and a Master of Business Administration degree from Bhartiya Institute of Management and has completed Advanced Management Programme from Stanford University, USA. He has over 20 years of business experience in the areas of renewable project management, investment banking, corporate lending and merchant banking. Further, he has promoted a number of companies and ventures apart from our Company including our Corporate Promoter Loyal Credit & Investments Limited. He has a team of qualified and experienced professionals to assist in his ventures. He is the Chairman of our Company and is director in several of its associated venture companies.

Corporate Promoter

1. Loyal Credit & Investments Limited (“Loyal Credit”)

Loyal Credit was incorporated as ‘Loyal Credit and Investments Private Limited’ a private limited company vide certificate of incorporation no. 7999 dated November 07, 1979, with the RoC, Tamil Nadu at Chennai. Subsequently pursuant to the provisions of Section 43A of the Act, the company was converted into a public limited company and accordingly the word ‘Private’ was deleted from the name of the company. The registered office of Loyal Credit is situated at “Kothari buildings, 4th Floor, 114, Mahatma Gandhi Salai, Nungambakam, Chennai, Tamil Nadu - 600006. The CIN allocated to Loyal Credit is U65993TN1979PLC007999.

Loyal Credit has pursuant to a board resolution dated March 13, 2009 issued 7 (seven) Optionally Convertible Preference Shares (“OCPS”) of face value ₹ 50 lakhs each at par. These OCPS are to be redeemed or converted at par within the period of five years from the date of issue.

Promoter of Loyal Credit

The promoter of Loyal Credit is Mr. K. V. Bala.

Current Nature of Activities

Loyal Credit is *inter alia* in the business of finance of hire purchase of all kinds of property both movable and immovable and otherwise buying, acquiring, selling, letting on hire or lease, hire purchase or easy payment system of property both movable and immovable.

Board of Directors

Presently, the Board of Directors of Loyal Credit as on the date of filing this Draft Red Herring Prospectus is as follows:

Name of the Director	Designation
Mr. K. V. Bala	Director
Ms. K. B. Prathadevi	Director
Mr. K. R. Loganathan	Director

Changes in the management of Loyal Credit in the last three years

There is no change in control or management of Loyal Credit during three years immediately preceding the filing of this Draft Red Herring Prospectus.

Shareholding Pattern

The shareholding pattern of Loyal Credit as on the date of filing this Draft Red Herring Prospectus is as follows:

	Name of Shareholder	No of shares	% holding
1.	K.V. Bala	2068627	99.68
2.	Karumuthu Finance Limited	1,100	0.05
3.	Shalini K B	1,100	0.05
4.	Amit K B	1,100	0.05
5.	Ravindranath K S	1,100	0.05
6.	Loganathan K R	1,100	0.05
7.	Prathadevi K B	1,100	0.05
	Total	20,75,227	100

Audited Financial Performance

(₹ in Lakhs, except per share data)

Particulars	For the Financial Year ended 31st March		
	2008	2009	2010
	Audited	Audited	Audited
Equity Share Capital	18.86	207.52	207.52
Preference Share Capital	-	350	350
Reserves & Surplus (excluding Revaluation Reserves)	370.57	214.50	214.82
Total Income	71.29	83.43	108.46
Profit/ (Loss) after Tax	37.08	24.79	41.82
Earnings Per Share (₹)	19.65	1.19	2.02
Diluted Earnings Per Share (₹)	19.65	1.19	2.02
Net Asset Value per share (₹)	206.42	20.34	20.35
Face Value (₹)	10	10	10

Other disclosures:

The equity shares of Loyal Credit are not listed on any of the Stock Exchanges and it has not made any public/rights issue in last five years. Further, no action has been taken against the company by any Stock Exchange or SEBI.

Loyal Credit is not a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction. Further, Loyal Credit is not under winding up, neither does it have a negative net worth.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against Loyal Credit.

Declaration

It is confirmed that the details of PAN, Bank Account Details and Passport Number of Mr. K V Bala have been submitted to the Stock Exchanges on which Class I Equity Shares are proposed to be listed, at the time of filing of this Draft Red Herring Prospectus with them. In respect of the Corporate Promoter, it is confirmed that the, PAN, Bank Account details, Company Registration Number and the addresses of the Registrar of Companies where the company is registered are being submitted to the Stock Exchanges, on which Class I Equity Shares are proposed to be listed at the time of filing this Draft Red Herring Prospectus.

Common Pursuits

The main objects clause of our Group Companies namely Indus Finance Corporation Limited, Indus Nutri Foods Private Limited, Bewind Power Private Limited, Indowind Power Private Limited and Indowind Energy Limited authorizes them to undertake activities of a similar nature to those undertaken by us. Further, except Indowind Power Private Limited and Indowind Energy Limited no other aforesaid companies presently undertake any activities similar to our business activities. In view of the fact that these Group Companies are engaged in similar business as our Company there may be a conflict of interest between them and our Company. Further, there is no non-compete agreement entered between our Company and these Group Companies. For details, please refer to risk factor no. 6 beginning on page no. 16 of this Draft Red Herring Prospectus.

Interest of Promoters

Except as stated in the “*Statement of Related Party Transactions*” beginning on page 191 of this Draft Red Herring Prospectus, our individual Promoter/ Director, may be deemed to be interested to the extent of fees, if any, payable to him for attending meetings of our Board or Committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of our Articles of Association.

Further, the Promoter is interested to the extent of Class I Equity Shares that he is holding and also to the extent of any dividend payable to him and other distributions in respect of the said Class I Equity Shares. Our individual Promoter holds shares or other stake in our Corporate Promoter and Group Companies in addition to other entities, and may be deemed to be additionally interested in any agreement or arrangement entered or to be entered into by our Company with our Corporate Promoter or Group Companies or such other entities, and if dividend, if any, is payable to our Corporate Promoter or Group Companies or other entities by virtue of their shareholding in our Company.

Interest of Promoters in the Promotion of our Company

Our Company is promoted by Mr. K. V. Bala and Loyal Credit & Investments Limited in order to carry on its present business. Our Promoters are interested in our Company as mentioned above under “***Our Promoters and Promoter Group – Common Pursuits of our Promoters***” and to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

Interest of Promoters in the Property of our Company

Our Promoters have confirmed that they do not have any interest in any property acquired by our Company in two years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company as on the date of filing of this Draft Red Herring Prospectus. Further, other than as mentioned in the Chapter titled “*Our Business*” beginning on page 97 of this Draft Red Herring Prospectus, our Promoters do not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

Payment of Amounts or Benefits to our Promoters or Promoter Group during the last two years

Except as stated in “*Financial Statements– Related Party Transactions*”, no amount or benefit has been paid by our Company to our Promoters or the members of our Promoter Group in the last two years preceding the date of this Draft Red Herring Prospectus.

Experience of the Promoters in the business of our Company

Our Individual Promoter, Mr. K.V. Bala has an experience of more than 15 years, in the business of our Company. Our Promoter is assisted by a team of highly qualified professionals to manage the operations of our Company.

Interest of Promoters in our Company other than as Promoters

Other than as promoters, our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company. For details see Chapters titled “*Our Management*” and “*Capital Structure*” on pages 129 and 52, respectively.

Except as mentioned in this section and the Chapters titled “*Our Business*”, “*History and Corporate Structure*” and “*Related Party Transactions*” on pages 97, 119 and 191 our Promoters do not have any interest in our Company other than as promoters.

Related Party Transactions

For the details of the Related Party Transactions please refer to the Annexure 17 to the report of our Auditors included in Chapter titled “*Financial Statements*” on page 165 of this Draft Red Herring Prospectus.

Details of Companies / firms from which Promoters have disassociated

Except as set out below none of our Promoters have disassociated themselves from any company / firms during the three years preceding the date of filing this Draft Red Herring Prospectus:

Sr. No.	Name of the Company	Name of the Promoter	Date of Disassociation	Reason for Disassociation	Terms of Disassociation
1	Cindia Theatres Private Limited	Mr. K. V. Bala	October 29, 2010	To better focus on other group companies	Transfer of Shareholding (Out of total shareholding of 5000 equity shares, 4500 equity shares were transferred to the other shareholder of the company)

OUR PROMOTER GROUP

Our Promoter Group as defined under Regulations 2 (zb) (iv) of the SEBI (ICDR) Regulations, 2009, includes the following individuals:

Promoters's	Mr. K.V. Bala
Spouse	Ms. K. B. Prathadevi
Father	Late Mr. K. R. Venkatraman
Mother	Ms. K. V. Muthumani
Brother	Mr. K. V. Manoharan Mr. K. V. Sasikumar
Sister	Ms. K. S. Kanchanamala Ms. S. Shakila
Daughter	Ms. Shalini
Son	Mr. Amit
Brother- in- Law	Mr. K.S. Ravindranath

Promoters's Spouse	Ms. K B Prathadevi
Spouse	Mr. K.V. Bala
Father	Late Mr. Udayanan
Mother	Ms. Ragini
Brother	Mr. Vishnumurthi
Sister	-
Daughter	Ms. Shalini
Son	Mr. Amit

Our Promoter Group as defined under Regulations 2 (zb) (iii & iv) of the SEBI (ICDR) Regulations, 2009, includes the following entities:

Mr. K.V. Bala
Indus Finance Corporation Limited
Loyal Credit & Investments Limited
Subuthi Investments Private Limited
Bekae Properties Private Limited
Ravello Advertising Private Limited
Bewind Power Private Limited
Cindia Theatres Private Limited
Soura Capital Private Limited
Indowind Energy Limited
Indus Capital Private Limited
Indowind Power Private Limited
Indonet Global Limited
MI Personal Care Private Limited
BVK Global Foundation
Indowind Chitradurga Project 1, LLP

Immediate relatives of Mr. K.V. Bala	Entities
Ms. K. B. Prathadevi	Soura Capital Private Limited
Late Mr. K. R. Venkatraman	-
Ms. K. V. Muthumani	-
Mr. K. V. Manoharan	-

Mr. K. V. Sasikumar	-
Ms. K. S. Kanchanamala	-
Ms. S. Shakila	-
Ms. Shalini	-
Mr. Amit	-

GROUP COMPANIES

As on the date of this Draft Red Herring Prospectus the companies promoted by our Promoters comprising our Group Entities as specified in the SEBI ICDR Regulations are the following:

Companies

1. Indowind Energy Limited
2. Indus Finance Corporation Limited
3. Bekae Properties Private Limited
4. Indonet Global Limited
5. Ravello Advertising Private Limited
6. Bewind Power Private Limited
7. Cindia Theatres Private Limited
8. Indus Nutri Foods Private Limited
9. Soura Capital Private Limited
10. Subuthi Investments Private Limited
11. Indus Capital Private Limited
12. MI Personal Care Private Limited

Limited Liability Partnerships

1. Indowind Chitradurga Project 1, LLP

HUFs

1. K. V. Bala (HUF)

Trusts

1. BVK Global Foundation

Five largest Group Entities

Pursuant to the provisions of the SEBI Regulations, the financial information provided herein has been provided for two listed companies and three largest Group Entities (*based on turnover*).

Listed Group Companies

1. Indowind Energy Limited
2. Indus Finance Corporation Limited

Largest unlisted Group Companies (based on turnover)

1. Bekae Properties Private Limited
2. Indonet Global Limited
3. Ravello Advertising Private Limited

1. Indowind Energy Limited (“Indowind”)

Indowind Energy Limited was incorporated as Indowind Energy Private Limited under the Companies Act, 1956 vide certificate of incorporation dated July 19, 1995. The Company became a deemed public limited company on September 30, 1997 and was converted into a public limited company on December 29, 2000. The CIN number of the company is L40108TN1995PLC032311. The registered office of Indowind is situated at 4th floor, Kothari Building, 114 Nungambakkam High Road, Chennai-600 034.

Change in capital structure

Indowind made an issue of 20,00,000 Global Depositary Receipts (“GDRs”) at US\$ 9.075 per GDR aggregating US\$ 18151859, (“**GDR Issue**”) against which 4,00,00,000 equity shares of face value ₹ 10 each were allotted by Indowind. The GDR’s are listed on the Luxembourg Stock Exchange.

Except as stated above, there has been no change in the capital structure of Indowind in the last six months prior to filing this Draft Red Herring Prospectus.

Current Nature of Activities

Indowind develops wind farms for sale, manages the wind assets and generates green power for sale to utilities and corporate. Further, it facilitates in turnkey implementation of wind power projects from concept to commissioning. It also provides wind asset management solution for installed assets, including operations, billing and collection of revenue to project customers. Other major activities include supply of green power to customers, carbon credit sales & trading.

Public Issue

Indowind made its initial public issue of 1,25,00,000 equity shares of ₹ 10 each for cash at price of ₹ 65 per equity share aggregating ₹ 7,956 Lakhs in September 2007. Through this issue the equity shares of Indowind were listed on BSE and NSE.

Issue of Foreign Currency Convertible Bonds (“FCCBs”)

During the year 2007-08, the company issued 5 years 300 FCCBs of US\$ 1,00,000 each aggregating US\$ 30 million to finance capital expenditure. The FCCBs carried a coupon rate of 2.5% and option to convert into equity shares at an initial conversion price of ₹ 167.11 per share (face value ₹ 10 each) or redemption on December 21, 2012. In 2009, Indowind and the bond holders agreed to restructure the terms of the bonds by revising the floor price of conversion from ₹ 167.11 to ₹ 48. However, due to further downward trend in the market price, the restructuring process could not be completed. The company has per legal advice has initiated Letter of Election process through trustees, with alternate options involving new floor price and or redemption with extended periods for completing the restructuring process. If the FCCBs are not restructured then the FCCBs will become due for redemption in December 2012.

Please refer to risk factor no. 39 beginning on page no. 28 of this Draft Red Herring Prospectus for further details.

Subsidiary of Indowind

Indowind Power Private Limited (“Indowind Power”)

Indowind Power is a wholly owned subsidiary of Indowind. Indowind Power was incorporated as Indowind Power Private Limited under the Companies Act, 1956 vide certificate of incorporation dated August 19, 2010 with the Registrar of Companies, Tamil Nadu at Chennai. The CIN allocated to Indowind Power is U40103TN2010PTC077068. The registered office of the company is situated at “Kothari buildings, 4th Floor, 114, Mahatma Gandhi Salai, Nungambakam, Chennai, Tamil Nadu - 600034.

Nature and Extent of Interest of the Promoters

Mr. K.V. Bala and Loyal Credit & Investments Limited are the shareholders of Indowind. Further, Mr. K.V. Bala, one of our Promoters is also the director of Indowind. Except to the extent of their shareholding, and to the extent of commission payable to Mr. K.V. Bala, our Promoters do not have any other interest in Indowind.

Board of Directors

The Board of Director of Indowind as on the date of this Draft Red Herring Prospectus is as follows:

Name of the Director	Designation	DIN
Mr. K.V. Bala	Director	00765036
Mr. K.S. Ravindranath	Whole Time Director	00848817
Mr. Niranjan R. Jagtap	Director	01237606
Mr. Thoppe R. Jayaraman	Director	01257967

Shareholding Pattern

The shareholding pattern of Indowind as on the date of this Draft Red Herring Prospectus is as follows:

Category code	Category of Shareholder	Number of Share holders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B) ¹	As a percentage of (A+B+C) ¹ (VII)	Number of Shares (VIII)	As a Percentage (IX) = (VIII)/(IV)*100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(A)	Promoter and Promoter Group							
1	Indian							
(a)	Individuals / Hindu Undivided Family	4	7472990	4931995	15.02	15.02	0	0
(b)	Central Government / State Government(s)	0	0	0	0	0	0	0
(c)	Bodies Corporate	4	17491137	10607983	35.16	35.16	50000	2.86
(d)	Financial Institutions / Banks	0	0	0	0	0	0	0
(e)	Any Others(Specify)							
	Sub Total (A)(1)	8	24964127	15539978	50.19	50.19	50000	2
2	Foreign							
a	Individuals (Non - Residents)	0	0	0	0	0	0	0
	Individuals / Foreign Individuals							
b	Bodies Corporate	0	0	0	0	0	0	0
c	Institutions	0	0	0	0	0	0	0
d	Any Others(Specify)							
	Sub Total(A)(2)	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	8	24964127	15539978	50.19	50.19	50000	2
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds / UTI	0	0	0	0	0	0	0

(b)	Financial Institutions / Banks	4	3993784	2527118	8.03	8.03	0	0
(c)	Central Government / State Government(s)	0	0	0	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0	0	0
(f)	Foreign Institutional Investors	1	73956	73956	0.15	0.15	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0
(h)	Any Other (specify)						0	0
	Sub-Total (B)(1)	5	4067740	2601074	8.18	8.18	0	0
2	Non-institutions						0	0
(a)	Bodies Corporate	701	9435840	9435840	18.97	18.97	0	0
(b)	Individuals							
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	28397	8918510	8918475	17.93	17.93	0	0
II	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	56	1604894	1604894	3.23	3.23	0	0
(c)	Trusts	1	50	50	0.0001	0.0001	0	0
(d)	Any Other (specify)							
(d-i)	Clearing Member	186	425915	425915	0.86	0.86	0	0
(d-ii)	NRI (Repat)	309	290550	290550	0.58	0.58	0	0
(d-iii)	Directors / Relative & Friends	11	33860	1400	0.06	0.06	0	0
	Sub-Total (B)(2)	29661	20709619	20677124	41.63	41.63	0	0
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	29666	24777359	23278198	49.81	49.81	0	0
	TOTAL (A)+(B)	29674	49741486	38818176	100	100	500000	1.01
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	29674	49741486	38818176	100	100	500000	1.01

Audited Financial Information

(Rs in Lakhs, except per share data)

Particulars	For the Financial Year ended 30th June		
	2008	2009	2010

	Audited	Audited	Audited
Equity Share Capital	4774.10	4774.10	4974.10
Preference Share Capital	400.00	400.00	400.00

Reserves & Surplus (excluding Revaluation Reserves)	8034.51	8101.46	10123.65
Total Income	2988.96	6475.20	6314.00
Profit/ (Loss) after Tax (after extra-ordinary items)	720.27	1145.90	1458.60
Earnings Per Share (₹) (after extra-ordinary items)	1.51	2.40	1.33
Diluted Earnings Per Share (₹)	1.51	2.40	1.33
Net Asset Value per share (₹)	26.83	26.97	30.35
Face Value (₹)	10.00	10.00	10.00

Stock Market Data

The Equity Shares of Indowind are listed on BSE and NSE.

- **BSE**

The details of the highest and lowest price on the BSE during the preceding six months are as follows:

Month	High (₹)	Low (₹)
June, 2011	26.80	18.15
May, 2011	21.55	18.00
April, 2011	25.70	18.95
March, 2011	20.25	17.25
February, 2011	23.65	18.00
January, 2011	29.30	22.05

(Source: www.bseindia.com)

- **NSE**

The details of the highest and lowest price on the NSE during the preceding six months are as follows:

Month	High (₹)	Low (₹)
June, 2011	26.70	17.25
May, 2011	22.00	18.05
April, 2011	25.80	18.60
March, 2011	20.30	17.55
February, 2011	23.40	18.00
January, 2011	29.40	22.15

(Source: www.nseindia.com)

Other disclosures:

The equity shares of Indowind are listed on BSE and NSE. Further, no action has been taken against the company by any Stock Exchange or SEBI.

Indowind is not sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction. Further, Indowind is not under winding up, neither does it have a negative net worth.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against Indowind.

Indowind has not made public or rights issue in the preceding three years from the date of filing this Draft Red Herring Prospectus.

Indowind has not made a loss in the immediately preceding year from the date of filing this Draft Red Herring Prospectus.

2. Indus Finance Corporation Limited (“Indus Finance”)

Indus Finance was incorporated as Subuthi Finance Private Limited under the Companies Act, 1956 vide certificate of incorporation no. 18- 22317 dated March 11, 1992 with the Registrar of Companies, Tamil Nadu at Chennai. The Company was converted into a public limited company on March 29, 1994. The CIN number of the company is L65191TN1992PLC022317. The registered office of Indus Finance is situated at 4th floor, Kothari Building, 114 Nungambakkam High Road, Chennai- 600 034. The name of the company was changed to Indus Finance Corporation Limited, and a fresh certificate of incorporation dated March 19, 2011 was issued by ROC to this effect.

Change in capital structure

- Board of Directors of Indus Finance pursuant to a resolution dated October 21, 2010 approved bonus issue of equity shares in ratio of 1:1 i.e. one new equity share for every one equity share held. Further shareholders of Indus Finance in general meeting dated November 30, 2010 accorded approval to the bonus issue. The Board of Directors of Indus Finance pursuant to a resolution dated May 05, 2011 allotted 46,29,150 equity shares as bonus shares.
- Board of Directors of Indus Finance pursuant to a resolution dated March 30, 2011 approved the forfeiture of 3,70,850 equity shares on account of non payment of call money.

Except as stated above, there has been no change in the capital structure of Indus Finance in the last six months prior to filing this Draft Red Herring Prospectus.

Current Nature of Activities

Indus Finance has been registered as a Non Deposit accepting Non Banking Finance Company with the RBI vide certificate No. 07.00068 dated March 04, 1998 and is *inter alia* engaged in the business of corporate financing, leasing, hire purchase and corporate advisory. The equity shares of Indus Finance are listed on BSE, Coimbatore Stock Exchange (“CSE”) and Madras Stock Exchange Limited (“MSE”).

Nature and Extent of Interest of the Promoters

Mr. K.V. Bala, one of our Promoters is also the director of Indus. Further, Mr. K.V. Bala and Loyal Credit & Investments Limited are also the shareholders of Indus. Except to the extent of their shareholding, our Promoters do not have any other interest in Indus Finance.

Stock Market Data

The Equity Shares of Indus Finance Corporation Limited are listed on BSE, CSE and MSE.

- **BSE**

The details of the highest and lowest price on the BSE during the preceding six months are as follows:

Month	High (₹)	Low (₹)
June, 2011	200.00	118.95
May, 2011	280.90	133.00
April, 2011	300.00	234.05
March, 2011	321.00	204.00
February, 2011	285.00	229.00
January, 2011	310.00	256.00
December, 2010	317.35	240.00
November, 2010	317.00	258.00

(Source: www.bseindia.com)

• **CSE & MSE**

Since the Equity Shares of our Company are not traded on CSE & MSE, details of the highest and lowest prices on CSE & MSE for last six months preceeding the date of this Draft Red Herring Prospectus is not available.

Board of Directors

The Board of Director of Indus Finance as on the date of this Draft Red Herring Prospectus is as follows:

Name of the Director	Designation	DIN
Mr. K. V. Bala	Director	00765036
Mr. Thirumakottai S. Raghavan	Director	00765038
Mr. Thoppe R. Jayaraman	Director	01257967

Shareholding Pattern

The shareholding pattern of Indus Finance as on the date of this Draft Red Herring Prospectus is as follows:

Category code	Category of Shareholder	Number of Share holders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B) ¹	As a percentage of (A+B+C)	Number of Shares	As a Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII)/(I V)*100
(A)	Shareholding of Promoter and Promoter Group²							
1	Indian							
(a)	Individuals / Hindu Undivided Family	12	1765793	1322693	35.31	35.31	0	0
(b)	Central Government / State Government(s)	0	0	0	0	0	0	0
(c)	Bodies Corporate	3	1474800	1471300	29.5	29.5	0	0
(d)	Financial Institutions / Banks	0	0	0	0	0	0	0
(e)	Any Others(Specify)							
	Sub Total (A)(1)	15	3240593	2793993	64.81	64.81	0	0
2	Foreign							
a	Individuals (Non - Residents Individuals / Foreign Individuals)	0	0	0	0	0	0	0
b	Bodies Corporate	0	0	0	0	0	0	0
c	Institutions	0	0	0	0	0	0	0
d	Any Others(Specify)							

	Sub Total(A)(2)	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	15	3240593	2793993	64.81	64.81	0	0
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds / UTI	0	0	0	0	0	NA	NA
(b)	Financial Institutions / Banks	1	1100	0	0.02	0.02	NA	NA
(c)	Central Government / State Government(s)	0	0	0	0	0	NA	NA
(d)	Venture Capital Funds	0	0	0	0	0	NA	NA
(e)	Insurance Companies	0	0	0	0	0	NA	NA
(f)	Foreign Institutional Investors	0	0	0	0	0	NA	NA
(g)	Foreign Venture Capital Investors	0	0	0	0	0	NA	NA
(h)	Any Other (specify)							
	Sub-Total (B)(1)	1	1100	0	0.02	0.02	NA	NA
2	Non-institutions							
(a)	Bodies Corporate	29	579435	574035	11.59	11.59	NA	NA
(b)	Individuals							
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	917	232888	56788	4.66	4.66	NA	NA
II	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	13	783271	596571	15.66	15.66	NA	NA
(c)	Any Other (specify)						NA	NA
(c-i)	Clearing Members	6	262	262	0.0052	0.0052	NA	NA
(c-ii)	Hindu Undivided Families	5	162431	162431	3.25	3.25	NA	NA
(c-iii)	Non Resident Indians	1	20	20	0.0004	0.0004	NA	NA
	Sub-Total (B)(2)	971	1758307	1390107	35.17	35.17	NA	NA
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	972	1759407	1390107	35.19	35.19	NA	NA
	TOTAL (A)+(B)	987	5000000	4184100	100	100	0	0

(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	NA	NA
	GRAND TOTAL (A)+(B)+(C)	987	5000000	4184100	100	100	0	0

Audited Financial Information

(Rs in Lakhs, except per share data)			
Particulars	For the Financial Year ended 31st March		
	2008	2009	2010
	Audited	Audited	Audited
Equity Share Capital	481.45	481.45	481.45
Reserves & Surplus (excluding Revaluation Reserves and Miscellaneous Exp.)	1116.49	1135.12	1158.82
Total Income	56.64	50.66	52.85
Profit/ (Loss) after Tax (after extra-ordinary items)	5.71	10.80	17.10
Earnings Per Share (₹) (after extra-ordinary items)	0.11	0.22	0.35
Diluted Earnings Per Share (₹)	0.11	0.22	0.35
Net Asset Value per share (₹)	31.96	32.33	32.81
Face Value (₹)	10.00	10.00	10.00

Other disclosures:

The equity shares of Indus Finance are listed on BSE, CSE and MSE. Further, no action has been taken against the company by any Stock Exchange or SEBI.

Indus Finance is not sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction. Further, Indus Finance is not under winding up, neither does it have a negative net worth.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against Indus Finance.

Indus Finance has not made public or rights issue in the preceding three years from the date of filing this Draft Red Herring Prospectus.

Indus Finance has not made a loss in the immediately preceding year from the date of filing this Draft Red Herring Prospectus.

3. Bekae Properties Private Limited (“Bekae Properties”)

Bekae Properties was incorporated on December 08, 2005 as Bekey Properties Private Limited *vide* certificate of incorporation no U45200MH2005PTC157900 with the Registrar of Companies, Maharashtra at Mumbai. The name of the company was then changed to Bekae Properties Private Limited on April 06, 2009. The registered office of Bekae Properties is situated at 603, Keshava, 6th Floor, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.

Change in capital structure

There has been no change in the capital structure of Bekae Properties in the last six months prior to filing this Draft Red Herring Prospectus.

Current Nature of Activities

Bekae Properties is *inter alia* engaged in the business of property management, property leasing, acquiring properties from banks for development, lending against property, power generation etc.

Nature and Extent of Interest of the Promoters

Mr. K.V. Bala, one of our Promoters, is also the director of Bekae Properties. Except to the extent of his shareholding, he has no other interest in Bekae Properties

Board of Directors

The board of directors of Bekae Properties as on the date of this Draft Red Herring Prospectus are:

Sr. No.	Name of the Director	Designation	DIN
1.	Mr. K.V. Bala	Director	00765036
2.	Ms. K.B. Prathadevi	Director	01180104

Shareholding Pattern

The shareholding pattern of Bekae Properties as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No	Name of Shareholder	No. of shares	% holding
1.	Mr. K.V.Bala	14,99,900	84.74
2.	Indus Finance Corporation Limited	1,50,000	8.47
3.	Karumuthu Finance Limited	1,20,000	6.78
4.	Ms. K.B. Prathadevi	100	0.01
Total		17,70,000	100

Audited Financial Performance

(Rs in Lakhs, except per share data)

Particulars	For the Financial Year ended 31st March		
	2008	2009	2010
	Audited	Audited	Audited
Equity Share Capital (incl. Share Application Money)	168	168	177
Reserves & Surplus (excluding Revaluation Reserves and Miscellaneous Exp.)	2.53	12.41	292.93
Total Income	14.5	31.83	88.48
Profit/ (Loss) after Tax	5.09	9.34	39.79
Earnings Per Share (₹)	0.67	1.23	2.25
Diluted Earnings Per Share (₹)	0.67	1.23	2.25
Net Asset Value per share (₹)	22.44	23.74	26.55
Face Value (₹)	10	10	10

Other disclosures:

The equity shares of Bekae Properties are not listed on any of the Stock Exchanges and it has not made any public/rights issue in last five years. Further, no action has been taken against the company by any Stock Exchange or SEBI.

Bekae Properties is not sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction. Further, Bekae Properties is not under winding up, neither does it have a negative net worth.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against Bekae Properties.

4. Indonet Global Limited (“Indonet”)

Indonet Global Limited was originally incorporated on April 15, 1999 as Indonet Services Limited *vide* certificate of incorporation bearing No. 18 42278, with Registrar of Companies, Tamil Nadu at Chennai. Subsequently, the name of the company was changed to Indonetglobal.Com Limited on April 04, 2000 and a fresh certificate of incorporation was issued to the company. The name of the company was further changed to its present name on August 26, 2002 and accordingly a fresh certificate of incorporation was issued to the company. The CIN allocated to Indonet Global is U72200TN1999PLC042278. The registered office of the company is situated at “Kothari buildings, 4th Floor, 114, Mahatma Gandhi Salai, Nungambakam, Chennai, Tamil Nadu – 600 006.

Change in capital structure

There has been no change in the capital structure of Indonet in the last six months prior to filing this Draft Red Herring Prospectus.

Current Nature of Activities

Indonet Global is *inter alia* in the business of providing internet services, internet access, electronic mails, satellite television, video conferencing, voice telephony, data transfer, electronic commerce in India and rest of the world.

Nature and Extent of Interest of the Promoters

Mr. K.V. Bala, one of our Promoters is also the director of Indonet. Further, Mr. K.V. Bala and Loyal Credit & Investments Limited are also the shareholders of Indonet. Except to the extent of their shareholding, our Promoters do not have any other interest in Indonet.

Board of Directors

The board of directors of Indonet as on the date of this Draft Red Herring Prospectus are

Sr. No.	Name of the Director	Designation	DIN
1.	Mr. K. V. Bala	Director	00765036
2.	Mr. Kannappan V	Director	00834036
3.	Mr. K. R. Lognathan	Director	01164718

Shareholding Pattern

The shareholding pattern of Indonet as on the date of this Draft Red Herring Prospectus is as follows:

Sr No	Name of Shareholder	No. of shares	% holding
1.	Subuthi Investments Private Limited	3360000	34.50%
2.	Loyal Credit & Investments Limited	2802000	28.77%
3.	Indus Finance Corporation Limited	2228880	22.88%
4.	ICICI Bank Limited	1320000	13.55%
5.	Mr. K.V Bala	29120	0.30%
	Total	9740000	100.00%

Audited Financial Information**(Rs in Lakhs, except per share data)**

Particulars	For the Financial Year ended 31st March		
	2008	2009	2010
	Audited	Audited	Audited
Equity Share Capital	487.00	487.00	487.00
Reserves & Surplus (excluding Revaluation Reserves)	286.20	552.92	576.49
Total Income	1.00	113.07	116.49
Profit/ (Loss) after Tax	4.35	15.90	23.57
Earnings Per Share (₹)	0.04	0.16	0.24
Diluted Earnings Per Share (₹)	0.04	0.16	0.24
Net Asset Value per share (₹)	7.94	10.68	10.92
Face Value (₹)	5	5	5

Other disclosures:

The equity shares of Indonet are not listed on any of the Stock Exchanges and it has not made any public/rights issue in last five years. Further, no action has been taken against the company by any Stock Exchange or SEBI.

Indonet is not sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction. Further, Indonet is not under winding up, neither does it have a negative net worth.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against Indonet.

5. Ravello Advertising Private Limited (“Ravello”)

Ravello was incorporated on August 30, 2005 as Ravello Advertising Private Limited *vide* certificate of incorporation no. U74300MH2005PTC155736 with the Registrar of Companies, Maharashtra Mumbai. The registered office of Ravello is situated at 603, Keshava, 6th Floor, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.

Change in Capital Structure

There has been no change in the capital structure of Ravello in the last six months prior to filing this Draft Red Herring Prospectus.

Current Nature of Activities

Ravello is in the business of advertising, publicity and such other ancillary activities.

Nature and Extent of Interest of the Promoters

Mr. K.V. Bala, one of our Promoters is also the director of Ravello. Except to the extent of his shareholding, he does not have any other interest in Ravello.

Board of Directors

The board of directors of Ravello as on the date of this Draft Red Herring Prospectus are:

Name of the Director	Designation	DIN
Mr. K.V. Bala	Director	00765036

Mr. Lognathan	Director	00386958
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Shareholding Pattern

The shareholding pattern of Ravello as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No	Name of Shareholder	No. of shares	% holding
1.	Mr. K.V.Bala	990	99
2.	Mr. K.K. Govindamoorthy	10	1
Total		1000	100.00

Audited Financial Performance:

(Rs in Lakhs, except per share data)

Particulars	As on 31st March		
	2008	2009	2010
	Audited	Audited	Audited
Equity Share Capital (incl. Share Application Money)	9.25	9.25	9.25
Reserves & Surplus (excluding Revaluation Reserves and Miscellaneous Exp.)	4.93	14.88	19.81
Total Income	18.6	36.51	28.54
Profit/ (Loss) after Tax	4.96	9.91	4.89
Earnings Per Share (₹)	49.6	99.10	48.90
Diluted Earnings Per Share (₹)	49.6	99.10	48.90
Net Asset Value per share (₹)	141.8	241.30	290.63
Face Value (₹)	10	10	10

Other disclosures:

The equity shares of Ravello are not listed on any of the Stock Exchanges and it has not made any public/rights issue in last five years. Further, no action has been taken against the company by any Stock Exchange or SEBI.

Ravello is not sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction. Further, Ravello is not under winding up, neither does it have a negative net worth.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against Ravello.

A. Details of other Group Companies

1. Bewind Power Private Limited (“Bewind”)

Bewind was originally incorporated on December 05, 2002 as Green Star Energy Private Limited under the Companies Act, 1956 *vide* certificate of incorporation bearing registration no. 11-138129. Further, the name of the company was changed to Bewind Power Private Limited and was issued a fresh certificate of incorporation by the Registrar of Companies, Maharashtra dated January 25, 2006. The CIN allocated to Bewind is U31100MH2002PTC138129. The registered office of the company is situated at 603, Keshava, 6th Floor, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.

2. Cindia Theatres Private Limited (“Cindia”)

Cindia was incorporated as Cindia Theatres Private Limited under the Companies Act, 1956 *vide* certificate of incorporation dated September 24, 2008. The CIN number of the company is

U92100MH2008PTC187010. The registered office of Cindia is situated at 603, Keshava, 6th Floor, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.

3. Indus Nutri Foods Private Limited (“Indus Foods”)

Indus Foods was incorporated on December 13, 1999 as SGM Windfarms Private Limited *vide* certificate of incorporation no. 18-43731 with the Registrar of Companies, Tamil Nadu at Chennai. The CIN of the company is U40105TN1999PTC043731. Subsequently, the name of the Company was changed to Indus Nutri Foods Private Limited *vide* certificate of fresh incorporation dated March 22, 2011. The registered office of Indus Foods is situated at Kothari buildings, 4th Floor, 114, Mahatma Gandhi Salai, Nungambakam, Chennai, Tamil Nadu – 600 006.

4. Soura Capital Private Limited (“Soura”)

Soura was incorporated on July 14, 2010 as Soura Capital Private Limited *vide* certificate of incorporation no U65990TN2010PTC076603 with the Registrar of Companies, Tamil Nadu at Chennai. The registered office of Soura is situated at “Kothari buildings, 4th Floor, 114, Mahatma Gandhi Salai, Nungambakam, Chennai, Tamil Nadu - 600006.

5. Subuthi Investments Private Limited (“Subuthi Investments”)

Subuthi Investments was incorporated on September 06, 1993 as Subuthi Investments Private Limited under the Companies Act, 1956 *vide* certificate of incorporation no. 18-25730 of 1993 with the Registrar of Companies, Tamil Nadu at Chennai. The CIN allocated to Subuthi Investments is U65991TN1993PTC025730. The registered office of the company is situated at “Kothari buildings, 4th Floor, 114, Mahatma Gandhi Salai, Nungambakam, Chennai, Tamil Nadu - 600006.

6. Indus Capital Private Limited (“Indus Capital”)

Indus Capital was incorporated as Indus Capital Private Limited under the Companies Act, 1956 *vide* certificate of incorporation dated October 30, 2010 with the Registrar of Companies, Mumbai at Maharashtra. The CIN allocated to Indus Capital is U67190MH2010PTC209634. The registered office of the company is situated at 603, Keshava Building, 6th floor, Bandra Kurla Complex, Bandra (E), Mumbai- 400 051, Maharashtra.

7. M.I. Personal Care Private Limited (“M.I. Personal”)

M.I. Personal was incorporated on July 21, 2005 as M.I. Personal Care Private Limited *vide* certificate of incorporation no. U74999MH2005PTC154971 with the Registrar of Companies, Mumbai at Maharashtra. The registered office of M.I. Personal is situated Khandke Bldg. No. 2, R No. 11, Ground Floor, Patilwadi, Opp. N.C. Kelkar Road, Dadar (W), Mumbai, Maharashtra.

LIMITED LIABILITY PARTNERSHIP FIRM

1. Indowind Chitradurga Project 1, LLP (“Indowind LLP”) *

Indowind LLP is a Limited Liability Partnership concern constituted *vide* a Limited Liability Partnership Deed dated June 10, 2009 between Indowind Energy Limited and Loyal Credit & Investments Limited. The registered office of Indowind LLP is situated at 4th Floor, “Kothari Buildings”, 114, MG Road, Nungambakam, Chennai – 600034.

Nature of Activities

The main business activities of Indowind LLP *interalia* includes electric power generation from wind energy and sale and supply of the same to utilities and corporates in India.

Partners

Indowind Energy Limited and Loyal Credit & Investments Limited are the partners of Indowind LLP. The profit/loss sharing ratio between the partners is 50:50.

Financial Information

Financial information for the FY 2009-10 is not available as the firm has not yet commenced its operations.

Other disclosures

The firm has not become bankrupt and does not have a negative net worth. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the firm.

** Indowind LLP is in process of making application to Registrar of Companies, Chennai, Tamil Nadu for winding up of its business. For further details, please refer to risk factor no. 37 beginning on page no. 26 of this Draft Red Herring Prospectus.*

HUFs

1. K. V. Bala (HUF)

K. V. Bala (HUF) was formed in the year 2002. It consists of Mr. K.V Bala (Karta) and Ms. K. B. Prathadevi, K. B. Shalini and Mr. K. B. Amit as co-parceners.

The other details of the HUF are set out below:

- PAN: AAEHK5198R
- Activities carried out: None
- Amount of Income for AY 2010-11: ₹ 133

The K.V. Bala (HUF) is not liable for audit.

TRUSTS

1. BVK Global Foundation

BVK Global Foundation was established *vide* a trust deed dated March 26, 2007 as a public charitable trust by Mr. K.V. Bala, referred to as “Donor Founder”, settling an amount of ₹ 1,000. The office of BVK Global Foundation is located at 4th Floor, Kothari Buildings, 114, Mahatma Gandhi Road, Nungambakkam, Chennai – 600 034.

Trustees as on the date of this Draft Red Herring Prospectus are:

1. Mr. K.V. Bala;
2. Ms. K. B. Prathadevi; and
3. Mr. Ravi shankaran Kuppa.

Other Disclosures related to Group Companies

None of the Group Companies mentioned above are defunct and have not applied to the Registrar of Companies for striking off the name of the company, during the five years preceding the date of filing this Draft Red Herring Prospectus with the Board.

Sales or purchases exceeding 10% in aggregate of the total sales or purchases of our Company

Except as stated in “*Financial Statements– Related Party Transactions*” on page 191 of this Draft Red Herring Prospectus, there are no sales or purchase between Group Companies exceeding 10% in aggregate in value the total sales or purchases of our Company.

Interest of Group Companies in promotion of our Company

Other than shareholding in our Company, none of our Group Companies have any other interest in the promotion of our Company..

Interest of our Group Companies in the property of our Company

None of our Group Companies have any interest in any property acquired by our Company since its incorporation preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

Payment of amount or benefits to our Group Companies during the last two years

Except as disclosed in the section “*Financial Statements– Related Party Transactions*” beginning on page 191 of this Draft Red Herring Prospectus, no amount or benefits were paid or were intended to be paid to our Group Companies since the incorporation of our Company.

Interest of Group Companies in any transaction by our Company

Except as disclosed in the section “*Financial Statements– Related Party Transactions*” beginning on page 191 of this Draft Red Herring Prospectus, none of our Group Companies were interested in any transaction by our Company involving acquisition of land, construction of building or supply of any machinery.

Business interests of our Group Companies in our Company

Except as disclosed in the section “*Financial Statements– Related Party Transactions*” beginning on page 191 of this Draft Red Herring Prospectus, there are no business interests of our Group Companies in our Company.

DIVIDEND POLICY

The declaration and payment of dividends will be recom by our Boards of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements, and overall financial requirements. The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future.

For further details, please refer to Annexure 8 beginning on page no. 181 of this Draft Red Herring Prospectus.

SECTION V – FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

AUDITOR'S REPORT

(As required by Part II of Schedule II to the Companies Act, 1956)

To,
The Board of Directors,
IND ECO VENTURES LIMITED
“Kothari Buildings” 4th Floor,
114 M G Road, Nungambakkam,
Chennai – 600 034

Dear Sirs,

Re: Public Issue of Equity Shares of Ind Eco Ventures Limited (the “Company”)

- a) We have examined and found correct the annexed restated summary statements of **Ind Eco Ventures** for the Financial Years ended 31st March, 2011, 2010, 2009, 2008 and 2007 prepared and approved by the Board of Directors of the Company for the purpose of disclosure in the offer documents being issued by the Company in connection with the issue of equity shares of the Company.
- b) **In accordance with the requirements of:**
- (i) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 (‘the Act’);
 - (ii) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (‘the SEBI ICDR Regulations, 2009’) issued by Securities and Exchange Board of India (‘SEBI’) on August 26, 2009 and related amendments;
 - (iii) The Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/ Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India and
 - (iv) Our terms of engagement agreed with you in accordance with our Letter dated June 15, 2011 in connection with the proposed issue as aforesaid, we report that,
1. The statement of assets and liabilities, as restated, of the Company as at 31st March 2011, 2010, 2009, 2008 and 2007 as set out in ‘**Annexure 1**’ to this report after making such adjustments/restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies and Notes to Accounts as appearing in ‘**Annexure 4**’ to this report.
 2. The statement of profits and loss account, as restated of the Company for the year ended 31st March 2011, 2010, 2009, 2008 and 2007 are as set out in ‘**Annexure 2**’ to this report. These profits have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies and Notes to Accounts as appearing in ‘**Annexure 4**’ to this report.
 3. We have examined the statement of cash flow, as restated relating to the Company for the year ended 31st March 2011, 2010, 2009, 2008 and 2007 appearing in ‘**Annexure 3**’ to this report after making such adjustments / restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies and Notes to Accounts as appearing in ‘**Annexure 4**’ to this report.

These statements have been prepared by the Company and approved by its Board of Directors (collectively referred to as the “**Restated Financial Statements**”). These statements have been extracted from the audited financial statements of the Company for the respective years.

Audit of the financial statements for the financial year ended March 31, 2011, 2010, 2009, 2008 and 2007 has been conducted by M/s. S. Vasudevan & Associates, Chartered Accountants, Chennai, India (“**Statutory Auditors**”).

Further, financial statements for the financial year March 31, 2011 have been re-audited by us as required under the SEBI ICDR Regulations. This report, in so far as it relates to the amounts included for the financial years ended March 31, 2010, 2009, 2008 and 2007 is based on the audited financial statements of the Company which were audited by the Statutory Auditors and whose Auditors’ report has been relied upon by us for the said periods.

- The Restated Financial Statements of the Company as included in this report as at and for the financial years ended March 31 2010, 2009, 2008 and 2007 are based on the audited financial statements of the Company which were audited by the Statutory Auditors of the Company and whose Auditors’ report has been relied upon by us for the said years and for the financial year ended March 31, 2011 examined by us as set out in Annexure 1, 2 and 3 of this report are after making such adjustments and regrouping as in our opinion were appropriate.
- Based on the above and also as per the reliance placed by us on the audited financial statements of the Company which were audited by Statutory Auditors and the Auditors’ report for the years ended March 31, 2010, 2009, 2008 and 2007, we are of the opinion that the Restated Financial Statements have been made after incorporating:
 - A. Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.
 - B. Adjustments for the material amounts in the respective financial years to which they relate.

We have examined the following financial information relating to the Company proposed to be included in this Draft Red Herring Prospectus, as approved by you and annexed to this report. In respect of the financial years ended March 31, 2010, 2009, 2008 and 2007, this information has been included based on the audited financial statements of the Company which were audited by the Statutory Auditors of the Company and whose Auditors’ report has been relied upon by us for the said years:

- i. Statement of Cash Flow (As Restated) as appearing in ‘**Annexure 3**’ to this report.
- ii. Significant Accounting Policies and Notes to Accounts in ‘**Annexure 4**’ to this report.
- iii. Statement of Adjustments in Profit & Loss Account arising out of Changes in accounting Policies in ‘**Annexure 5**’ to this report.
- iv. Details of qualifications appearing in the audit report as given in ‘**Annexure 6**’ to this report.
- v. Statement of Accounting Ratios as appearing in ‘**Annexure 7**’ to this report;
- vi. Statement of Dividend Paid as appearing in ‘**Annexure 8**’ to this report;
- vii. Capitalization Statement as appearing in ‘**Annexure 9**’ to this report;
- viii. Statement of Tax Shelter as appearing in ‘**Annexure 10**’ to this report.
- ix. Statement of Secured Loans as appearing in ‘**Annexure 11**’ to this report.
- x. Statement of Unsecured Loans including that from related parties enclosed as ‘**Annexure 12**’ to this report.
- xi. Statement of Investments as appearing in ‘**Annexure 13**’ to this report.
- xii. Statement of Debtors including the related party debtors enclosed as ‘**Annexure 14**’ to this report.
- xiii. Statement of Loans and Advances as given in ‘**Annexure 15**’ to this report.
- xiv. Statement of Other Income as appearing in ‘**Annexure 16**’ to this report.
- xv. Details of transactions with the Related Parties as appearing in ‘**Annexure 17**’ to this report;
- xvi. Details of Contingent Liabilities as appearing in ‘**Annexure 18**’ to this report;

In our opinion the above financial information of the Company read with Significant Accounting Policies and Notes to Accounts enclosed in 'Annexure 4' to this report and also as per the reliance placed by us on the audited financial statements of the Company which were audited by the Statutory Auditors and the Auditors' report for the years ended March 31, 2010, 2009, 2008 and 2007, after making adjustments/restatements and regroupings as considered appropriate, has been prepared in accordance with Part II of Schedule II of the Act and we have complied with the Schedule VIII, Clause IX (9) of the SEBI ICDR Regulations, 2009.

In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of the Ind Eco Ventures Limited, we hereby confirm that Statements of Assets and Liabilities and Profit and Loss or any other financial information have been incorporated in the offer document after making the following adjustments, wherever quantification is possible:

1. Adjustments/ rectification for all incorrect accounting practices or failures to make provisions or other adjustments which resulted in audit qualifications except for those audit qualification whose financial impact not ascertainable or not quantifiable.
2. Material amounts relating to adjustments for previous years has been identified and adjusted in arriving at the profits of the years to which they relate irrespective of the year in which the event triggering the profit or loss occurred.
3. Where there has been a change in accounting policy, the profits or losses of the earlier years (required to be shown in the offer document) and of the year in which the change in the accounting policy has taken place has been recomputed to reflect what the profits or losses of those years would have been if an uniform accounting policy was followed in each of those years.
4. If an incorrect accounting policy is followed, the re-computation of the financial statements has been in accordance with correct accounting policies.
5. Statement of profit or loss discloses the profit or loss arrived at before considering extraordinary items and after considering the profit or loss from extraordinary items.

The accounting policies of the Company are in compliance with all Indian Accounting Standards.

This report is intended solely for your information and for inclusion in the Offer Document in connection with the specific Public Offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For V Ramaratnam & Co *

Chartered Accountants

Firm Registration No.002956S

R Sundar

(Partner)

PRN 005295

Membership No. 12339

*** Peer Review Certificate dated June 09, 2011**

Place: Chennai.

Date: July 02, 2011

ANNEXURE 1

STATEMENT OF ASSETS & LIABILITIES (AS RESTATED)

(₹ in Lakhs)

Particulars		As At				
		31.03.2007	31.03.2008	31.03.2009	31.03.2010	31.03.2011
A	Fixed Assets					
	Gross Block	101.00	101.00	2,462.60	2,477.47	3,754.08
	Less : Accumulated Depreciation	70.70	87.86	944.03	1,649.79	2,164.40
	Net Block (A)	30.30	13.14	1,518.57	827.68	1,589.68
B	Investments (B)	48.36	48.45	298.67	437.72	558.61
C	Current Assets, Loans & Advances					
	Work in Progress	-	-	700.00	700.00	-
	Sundry Debtors	4.27	2.82	7.95	53.31	1.27
	Cash and Bank Balances	11.27	20.04	52.76	24.02	39.35
	Advances and Prepayments	186.69	252.58	256.84	1,537.30	1,460.77
	Deferred Tax Assets	-	-	-	50.58	73.45
	Total (C)	202.23	275.44	1,017.55	2,365.21	1,574.84
D	Liabilities and Provisions					
	Secured Loans	-	-	-	-	-
	Unsecured Loans	4.00	22.50	0.51	-	-
	Deferred Tax Liability	-	-	24.82	-	-
	Provisions	0.05	0.82	6.65	12.92	17.23
	Liabilities for expenses	0.85	0.91	1.94	6.11	24.11
	Sundry Creditors	1.27	13.02	1878.59	1462.15	1,279.84
	Total (D)	6.17	37.25	1,912.51	1,481.18	1,321.18
E	Net Worth (A+B+C-D)	274.72	299.78	922.28	2,149.43	2,401.95
F	Represented by					
	Equity Share Capital - Class I	37.66	60.66	660.61	660.61	660.61
	Equity Share Capital - Class II	-	-	-	-	250.00
	Reserves & Surplus	237.06	239.12	278.52	1508.57	1520.00
	Less : Revaluation Reserve	-	-	-	-	-
	Less : Miscellaneous Expenses (not written off)	-	-	16.85	19.75	28.66
G	Net Worth	274.72	299.78	922.28	2,149.43	2,401.95

ANNEXURE 2

STATEMENT OF PROFIT & LOSS (AS RESTATED)

(₹ in Lakhs)

Particulars		For the year ended				
		31.03.2007	31.03.2008	31.03.2009	31.03.2010	31.03.2011
A	Income					
	Power Income	33.14	30.96	284.31	435.16	381.68
	Project Sale	-	-	700.00	400.00	500.00
	Profit on Sale of Investments	-	-	4.21	-	-
	Sale of Equipments	-	-	-	1,020.00	
	Sale of Stock in Trade	-	-	67.99	1.78	-
	Agricultural Income	-	-	-	9.43	5.64
	Closing Stock in Trade	-	-	2.73	-	-
	Total Income	33.14	30.96	1,059.24	1,866.37	887.32
	Other Income	0.07	0.64	11.46	4.55	2.50
	Total	33.21	31.60	1,070.70	1,870.92	889.82
B	Expenditure					
	Opening Stock in Trade	-	-	238.81	2.73	-
	Purchases of Equipments	-	-	-	1,010.00	-
	Agricultural Expenses	-	-	-	3.43	10.75
	Staff Expenses	6.09	7.28	18.01	30.12	52.12
	Administrative & Establishment expenses	1.55	4.28	49.12	31.10	225.56
	Total	7.64	11.56	305.94	1,077.38	288.43
C	Net Profit before Interest, Depreciation, Tax and Extraordinary items	25.57	20.04	764.76	793.54	601.39
	Depreciation	20.20	12.12	687.66	705.75	514.62
	Interest & Financial Charges	-	-	-	-	-
	Profit / Loss before Tax but before Extra – ordinary Items	5.37	7.92	77.10	87.79	86.77
	Provision for Taxation					
	- Current Tax	0.05	0.82	8.75	12.92	17.36
	- Deferred Tax	-	-	24.82	(75.39)	(22.87)
D	Profit / Loss after Tax but before Extra – ordinary Items.	5.32	7.10	43.53	150.26	92.28
	Extra-ordinary Items.	-	-	-	-	-

E	Profit/Loss after Tax (Before Dividend)	5.32	7.10	43.53	150.26	92.28
	Less: Dividend on Equity Shares	-	-	-	49.55	66.06
	Less : Tax on Dividend	-	-	-	8.42	10.97
	Profit Transferred to B/S	5.32	7.10	43.53	92.29	15.25

ANNEXURE 3

STATEMENT OF CASH FLOW (AS RESTATED)

(₹ in Lakhs)

Particulars	For the year ended				
	31.03.2007	31.03.2008	31.03.2009	31.03.2010	31.03.2011
A. Cash flow from Operating Activities					
Profit after Tax	5.32	7.10	43.53	150.26	92.28
Adjustments					
Add: Depreciation	20.20	12.12	687.66	705.75	514.62
Add: Merger Expenses Written off	-	-	-	0.73	0.73
Less: Financial Income	-	-	11.36	4.50	1.55
Less: Investment Income	0.07	0.64	0.10	0.05	0.95
Operating profit before working capital changes	25.45	18.58	719.73	852.19	605.13
Working Capital Changes					
Sundry Debtors - Decrease/(Increase)	(4.26)	1.45	(5.13)	(45.36)	52.04
Loans & Advances, Receivables & Unsold Power - Decrease / (Increase)	(23.96)	(65.89)	357.10	(1,280.46)	72.70
(Increase) / Decrease in Deferred Tax Assets	-	-	-	(50.58)	(22.87)
Increase / (Decrease) in Deferred Tax Liability	-	-	24.82	(24.82)	-
Tax Provision - Increase / (Decrease)	0.05	0.77	5.83	6.27	4.31
(Increase) / Decrease in W-I-P	-	-	(700.00)	-	700.00
Liabilities for Expenses - Increase / (Decrease)	0.67	0.06	1.03	4.17	18.00
Current liabilities - Increase /(Decrease)	1.93	11.75	1,190.24	(416.44)	(182.31)
(Increase) / Decrease in Other Current Liabilities	-	18.50	(21.99)	(0.51)	-
(Increase) / Decrease in Working Capital	(25.57)	(33.36)	851.90	(1,807.73)	641.87
Cash flow from Operating Activities (A)	(0.12)	(14.78)	1,571.63	(955.54)	1,247.00
B. Cash flow from Investing Activities					
Financial Income	-	-	11.36	4.50	1.55
Investment Income	0.07	0.64	0.10	0.05	0.95
(Purchase) / Sale of Fixed Assets	-	-	(1,689.60)	(14.87)	(1,276.61)
Surplus from Investing Activities	-	-	-	1,137.76	-
(Purchase) / Sale of Investments	(0.07)	(0.09)	(193.92)	(139.05)	(120.89)
Cash flow from Investing Activities (B)	(0.00)	0.55	(1,872.06)	988.39	(1,395.00)
C. Cash flow from Financing Activities					

Proceed from issue of Equity Shares	-	23.00	350.00	-	250.00
Dividend (incl. Tax on Dividend) Paid	-	-	-	(57.97)	(77.03)
Public Issue Expenses			(16.85)	(3.62)	(9.64)
Cash flow from Financing Activities (C)	-	23.00	333.15	(61.59)	163.33
Net Increase In Cash & Cash Equivalents (A+B+C)	(0.12)	8.77	32.72	(28.74)	15.33
Opening Cash & Cash Equivalents	11.39	11.27	20.04	52.76	24.02
Closing Cash & Cash Equivalents	11.27	20.04	52.76	24.02	39.35

ANNEXURE 4

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

A. Significant Accounting Policies

1. Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared and presented in accordance with Indian Generally Accepted Principles (GAAP) under the historical cost of convention on the accrual basis. GAAP comprises Accounting Standards notified by the Central Government of India under Section 211(3C) of the Companies Act, 1956, other pronouncements of the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

2. Use of Estimates

The preparation of financial statements in conformity with the Generally Accepted Accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenue and expenditure for the year. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates.

3. Revenue Recognition

Revenue consists of Sale of Power, Sale of Projects, Agricultural Income and Other Income. Sale of Power is recognised at the point of dispatch of electricity generated from plant during the financial year. Sale of Projects is the net trading income from purchase and sale of windmills which are in operation and generating power at the time of purchase, the amount recognized as sale is exclusive of duties, and trade and quantity discounts, where applicable. Sale of Equipment consists of equipments of windmills sold separately. Agricultural Income is generated from farming activities. Other Income is recognised on accrual basis and consists of Dividend income and Interest income. Dividend Income is recognised on establishment of right to receive.

4. Fixed Assets & Depreciation

Fixed assets are carried at acquisition or construction cost less accumulated depreciation. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs directly attributable to the acquisition, construction or production of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

Depreciation is provided on the Written Down Value Method. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates, if the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on the subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life / remaining useful life/ active utilization.

Leasehold land is amortised over the period of lease. Leasehold improvements / buildings are amortised over the primary period of lease.

All individual assets costing over ₹ 5,000 or less are depreciated at 100% in the year of purchase.

The classification of plant & machinery into continuous and non-continuous is carried out as per technical certification and depreciation thereon is provided for accordingly.

Depreciation on fixed assets added is provided for on pro-rata basis with reference to the month of addition.

5. Investments

Investments are held by the company as long term asset. The market fluctuation for the Increase / decrease in the value of the investments is therefore not provided.

6. Stock in Trade

Stock in Trade appearing in Financial Statements as Opening Stock in Trade and Closing Stock in Trade are securities/shares held by Fullbloom Investments Pvt. Ltd., merged from financial statements of Fullbloom Investments Pvt. Ltd. which was merged with the company.

7. Taxation

Provision for current income tax is made on the taxable income using the applicable tax rates and tax laws. Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent periods is recognised using the tax rates and tax laws that have been enacted or substantively enacted.

8. Earnings per Share

Basic Earnings Per Share amounts are computed by dividing net profit or loss for the period attributable to the Equity Shareholders (Class I and Class II) by the weighted average number of both Classes of equity shares outstanding during the year.

Diluted Earnings Per Share amounts are computed after adjusting the effects of all diluted potential Class – I & II Equity Shares. The number of class I & II Equity Shares used in computing diluted earnings per share comprises the weighted average number of equity shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which would have been issued on the conversion of all diluted potential equity shares. In computing the diluted Earnings per share, only potential shares that are diluted and that decrease the profit per share are included.

9. Employee Benefits

The Company has provided for gratuity based on actuarial valuation obtained. However, the company has not formulated any policy for investments of the said provisions. In the case of Provident Fund, the company has formulated the policy for coverage and has provided for the contribution.

10. Impairment

Fixed assets are reviewed at each Balance Sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of the fixed assets is determined.

The recoverable amount is the greater of assets net selling price or its value in use. In assessing the value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no longer exists or has decreased.

11. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

12. Contingent Liabilities

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainties are treated as contingent and to the extent not provided for are disclosed by way of notes on the accounts.

13. Miscellaneous Expenses to be written off

Miscellaneous Expenditure to be written off includes Public Issue Expenses and Merger Expenses.

B. Notes to Accounts :

Financial Information

The Financial Statements from the financial year 2008-09 represents the financials of the amalgamated entity after amalgamation of Fullbloom Investments Private Limited with the Company as per the order of the Hon'able High Court of Madras.

1. Auditors' Remuneration

Particulars	Year ended 31 st March, 2011 (₹)	Year ended 31 st March, 2010 (₹)
Statutory & Tax Audit	40,000	25,000
Tax Audit	15,000	15,000
Certification Charges	750	750
Out of Pocket Expenses	-	-

2. Managerial Remuneration

Particulars	Year ended 31 st March, 2011 (₹)	Year ended 31 st March, 2010 (₹)
Salary, Bonus & Other Allowances	3,64,315	N I L
Contribution to Provident Fund	N I L	N I L

3. Related Party Transactions

Details of related parties including summary of transactions entered into by the Company during the year ended 31st March, 2011 are summarized below;

Names of Related Parties and description of relationship

Indowind Energy Limited	Group Companies
Indus Finance Corporation Limited	
Indonet Global Limited	
Subuthi Investments Private Limited	
Bewind Power Private Limited	
Bekae Properties Private Limited	
Ravello Advertising Private Limited	
Indus Capital Private Limited	
Indus Nutri Foods Private Limited	
Bala K V	Promoter
Loyal Credit & Investments Limited	Corporate Promoter
Kannappan V	Whole Time Director

Balance as on 31.03.2011

Related Parties	Nature of transaction	Receivables / (Payables) as at 31 st March, 2011 (₹ in Lakhs)
Indowind Energy Limited	Creditors for assets	(1259.03)
Indowind Energy Limited	Advances Given	121.49

Transactions

For details relating to related party transactions during the year, refer to Annexure 17 - Details of transactions with the Related Parties.

4. Segment Reporting

As per AS 17 (Accounting Standard on Segment Reporting) issued by ICAI, the Segment wise primary information as under –

Segment Reporting for Financial Year 2010-11

(₹ in Lakhs)

	Power Income	Project Income	Agricultural Income	Other Income	Total Income
Income	381.68	500.00	5.64	2.50	889.82
Expenses	566.74	-	10.75	2.07	579.56
Profit	(185.06)	500.00	(5.11)	0.43	310.26
Less: Unallocable Expenses					223.49
Net Profit before Tax					86.77

Segment Reporting for Financial Year 2009-2010

(₹ in Lakhs)

	Power Income	Project Income	Sale of Equipments	Agricultural Income	Other Income	Total Income
Income	435.16	400.00	1020.00	9.43	6.33	1870.92
Expenses	735.87	-	1010.00	3.43	3.68	1752.98
Profit	(300.71)	400.00	10.00	6.00	2.65	117.94
Less: Unallocable Expenses						30.15
Net Profit before Tax						87.79

Segment Reporting for Financial Year 2008-09

(₹ in Lakhs)

	Power Income	Project Income	Agricultural Income	Other Income	Total Income
Income	284.31	700.00	-	86.39	1070.70
Expenses	705.67	-		0.47	706.14
Profit	(421.36)	700.00	-	85.92	364.56
Less: Unallocable Expenses					287.46
Net Profit before Tax					77.10

Segment Reporting for Financial Year 2007-08

(₹ in Lakhs)

	Power Income	Project Income	Agricultural Income	Other Income	Total Income
Income	30.96	-	-	0.64	31.60
Expenses	19.40			0.27	19.67
Profit	11.56	-	-	0.37	11.93
Less: Unallocable Expenses					4.01
Net Profit before Tax					7.92

Segment Reporting for Financial Year 2006-07

(₹ in Lakhs)

	Power Income	Project Income	Agricultural Income	Other Income	Total Income
Income	33.14	-	-	0.07	33.21
Expenses	26.29	-	-	0.07	26.36
Profit	6.85	-	-	0.00	6.85
Less: Unallocable Expenses					1.48
Net Profit before Tax					5.37

ANNEXURE 5

STATEMENT OF ADJUSTMENTS IN PROFIT & LOSS ACCOUNT ARISING OUT OF CHANGES IN ACCOUNTING POLICIES

(₹ in Lakhs)

Particulars	For the year ended				
	31.03.2007	31.03.2008	31.03.2009	31.03.2010	31.03.2011
Net Profit After Tax as per Audited Profit & Loss A/c (Before Dividend)	0.65	7.21	43.65	152.06	94.97
Adjustments :					
1. Increase / (Decrease) in receivables of Power Revenue	(0.04)	(0.21)	0.46	(0.69)	-
2. Depreciation	5.05	0.50	-	-	-
3. Provident Fund	(0.28)	(0.28)	(0.36)	(0.68)	(2.69)
4. Gratuity	(0.06)	(0.12)	(0.22)	(0.44)	--
Net Profit After Tax as per Restated Profit and Loss A/c (Before Dividend)	5.32	7.10	43.53	150.26	92.28

1. Power income was earlier recognised for the period during 16th March of Previous Year to 15th March of Current Year as per the billing process carried out. However in FY 2011 we have changed the policy to recognise revenue for the period during 1st April to 31st March of Financial Year. Effect of change in policy is given for previous years in Restated Financials.
2. The Company had the policy of charging depreciation on plant and machinery at the rate of 25% on SLM basis for the year ended March 31st, 2007 and the management changed the policy to charging 12.5% on SLM basis for the year ended 31st March, 2008. However from the financial year 2009 onwards the company adopted the policy of charging 40% on WDV basis consistently. In the restated financials, adjustment for previous years is made considering the policy has been adopted from beginning of reported years.
3. The Company's employee strength was less than 20 for all the years till FY 2010 hence the PF Rules were not applicable. During FY 2011 the employee strength exceeded 20 and the Company has provided ₹ 41,472 towards the PF contribution for FY 2011 and has initiated the process of getting registered with PF Authorities. However for the restated financials PF is being provided as per actuarial valuation obtained.
4. The Company in the year ended 31st March, 2011, adopted the policy to recognize Gratuity Liability in the financial statements based on actuarial valuation obtained. In the restated financials, this policy has been considered over all the five years.

ANNEXURE 6

DETAILS OF QUALIFICATIONS APPEARING IN THE AUDIT REPORTS

I. Qualifications in the audit report for the financial year ended on 31-03-2007

There are no qualifications in the Audit Report

II. Qualifications in the audit report for the financial year ended on 31-03-2008

There are no qualifications in the Audit Report

III. Qualifications in the audit report for the financial year ended on 31-03-2009

There are no qualifications in the Audit Report

IV. Qualifications in the audit report for the financial year ended on 31-03-2010

There are no qualifications in the Audit Report

V. Qualifications in the audit report for the financial year ended on 31-03-2011

There are no qualifications in the Audit Report

ANNEXURE 7

STATEMENT OF ACCOUNTING RATIOS

Particulars	For the year ended				
	31.03.2007	31.03.2008	31.03.2009	31.03.2010	31.03.2011
Net Profit as restated (₹ In Lakhs)	5.32	7.10	43.53	150.26	92.28
Net Worth (₹ In Lakhs)	274.72	299.78	922.28	2,149.43	2,401.95
Return On Net worth (%)	1.94%	2.37%	4.72%	6.99%	3.84%
Total No. of Equity Shares outstanding at the end of the year (Class I and Class II)	376,600	606,600	6,606,120	6,606,120	9,106,120
Weighted Average No. of Equity Shares (without considering Bonus Issue)	376,600	392,353	5,740,738	6,606,120	8,160,915
Weighted Average No. of Equity Shares (considering Bonus Issue - AS20)	2,840,560	2,856,313	6,328,038	6,606,120	8,160,915
Earnings Per Share (EPS) (₹) (without considering Bonus Issue)	1.41	1.81	0.76	2.27	1.13
Earnings Per Share (EPS) (₹) (considering Bonus Issue - AS 20)	0.19	0.25	0.69	2.27	1.13
Net asset Value / Book Value Per Share (₹)	72.95	49.42	13.96	32.54	26.38
Return On Net worth = Net Profit / Net Worth					
EPS = Net Profit / Weighted Average No of Equity Shares					
Net Asset value = Net worth / No of Equity Shares outstanding at the end of the year					
*Allotment pursuant to scheme of Amalgamation of Full Bloom Investments Private Limited vide order of the High Court of Madras is considered effective from 1.4.2008					

ANNEXURE 8

STATEMENT OF DIVIDEND PAID

(₹ in Lakhs)

Particulars	For the year ended				
	31.03.2007	31.03.2008	31.03.2009	31.03.2010	31.03.2011
Class I Equity Share Capital					
Paid up Share Capital	37.66	60.66	660.61	660.61	660.61
Face Value (₹)	10.00	10.00	10.00	10.00	10.00
Rate of Dividend	-	-	-	7.50%	10%
Amount of Dividend	-	-	-	49.55	66.06
Tax on Dividend	-	-	-	8.42	10.97
Dividend Per Share (₹)	-	-	-	0.75	1.00

Note: Class II Equity Shares were issued in FY 11 and no dividend was paid on them.

ANNEXURE 9

CAPITALIZATION STATEMENT

(₹ in Lakhs)

Particulars	Pre-Issue as at 31.03.2011	Post Issue*
Borrowings		
Short Term Debts	-	
Long Term Debts	-	
Unsecured Debts	-	
Total Borrowings	-	
Shareholders' Fund		
Equity Share Capital	910.61	
Reserves & Surplus	1,520.00	
Less: Revaluation Reserve	-	
Less: Miscellaneous Expenditure to the extent not written off	28.66	
Total Shareholders' Fund	2,401.95	
Long Term Debt/Shareholders' Funds	-	
Total Debt/ Shareholders Fund	NA	
* Information pertaining to Share Capital and Reserves post-issue can be ascertained only after completion of Book Building process.		

ANNEXURE 10

STATEMENT OF TAX SHELTER

(₹ in Lakhs)

Particulars	For the year ended				
	31.03.2007	31.03.2008	31.03.2009	31.03.2010	31.03.2011
Tax Rate: Basic	35.00%	35.00%	30.00%	30.00%	30.00%
Surcharge / Cess	2.00%	2.00%	10.00%+2%	10.00%+3%	3%
Tax rate including surcharge	35.70%	35.70%	33.66%	33.99%	30.90%
Profit Before Tax as per P & L Account	0.71	8.03	77.22	89.59	89.48
Notional Tax Liability	0.25	2.87	25.99	30.45	27.65
Adjustments A) Add:					
Provision for IT / FBT					
Depreciation as per P& L A/c	25.25	12.63	687.66	705.75	514.62
Loss on sale of assets					
Inadmissible Expenses					0.98
Long Term Capital Loss					
Expenses disallowed				3.43	10.75
Deferred tax asset / liability			0.22		
TOTAL 'A'	25.25	12.63	687.88	709.18	526.35
Adjustments B) Less:					
Depreciation as per I.T Act	3.23	0.65	1,425.85	483.95	444.90
Brought Forward Loss	42.28	19.63	-	664.96	359.57
Income from Generation of Power U/Sec 80 IA / IB					
Dividend Income received	0.08	0.09			0.95
Investments in Key Man Insurance Policy		-	-		
Agricultural Income			-	9.43	5.64
Profit on sale of Asset			4.21		
Deferred tax asset / liability		-			
TOTAL 'B'	45.59	20.37	1,430.06	1,158.34	811.06
C) Net Adjustments (A-B)	(20.34)	(7.74)	(742.18)	(449.16)	(284.71)
Taxable Income	(19.63)	0.29	(664.96)	(359.57)	(195.23)
Tax payable thereon	NIL	NIL	NIL	NIL	NIL
Tax Savings Thereon	0.25	2.87	25.99	30.45	27.65
MAT as per Sec 115 JA / JB	31.03.2007	31.03.2008	31.03.2009	31.03.2010	31.03.2011
Book Profits for the year					

	0.71	8.03	77.22	89.59	89.48
Adjustments A) Add:					
Inadmissible Expenses		-	-	3.43	10.75
Adjustments B) Less:					
Non Taxable Income	0.08	0.09	-	9.43	6.59
Deferred Tax Asset		-	-	-	-
Book Profit U/ S 115 JA / JB	0.63	7.94	77.22	83.59	93.64
MAT Payable @ 7.5% +2% Cess	0.05	0.82	7.95	12.91	17.36
MAT 7.5% + Surcharge	-	-	-	-	-
Tax Deducted at Source	-	0.02	2.18	-	0.14
Balance Tax Payable	0.05	0.80	5.77	-	17.22
Tax Paid	0.06	1.00	9.00	13.00	18.50

ANNEXURE 11

STATEMENT OF SECURED LOANS

Our Company has not availed any secured loans during the financial years 2007 to 2011

ANNEXURE 12

STATEMENT OF UNSECURED LOANS

(₹ in Lakhs)

Particulars	As At				
	31.03.2007	31.03.2008	31.03.2009	31.03.2010	31.03.2011
Corporate Bodies - Other Loans	4.0	22.5	0.5	0.0	0.0
Total	4.0	22.5	0.5	0.0	0.0
Above Amounts include balances with the related parties as follows:					
Indus Nutri Foods Pvt Ltd. (earlier SGM Windfarms Pvt. Ltd.)	-	22.5	-	-	-
Total	-	22.5	-	-	-
Note : The unsecured loan amounts were repayable on demand. No interest was being charged on the balance outstanding.					

ANNEXURE 13

STATEMENT OF INVESTMENTS

(₹ in Lakhs)

S. No.	Particulars	As At				
		31.03.2007	31.03.2008	31.03.2009	31.03.2010	31.03.2011
A	<u>Quoted Investments</u>					
	<u>Long Term</u>					
	Indus Finance Corporation Ltd (earlier Subuthi Finance Ltd) (Market Value as on 31.03.2011 is Rs 256.93 Lakhs)	4.86	4.86	-	84.94	84.94
	Indowind Energy Limited	-	-	29.67	-	0.00
	Vishal Exports Overseas Ltd (Market Value as on 31.03.2011 is Rs 0.05 Lakhs)	-	-	0.31	0.31	0.31
	Kaveri Tele (Market Value as on 31.03.2011 is Rs 35.35 Lakhs)	-	-	-	24.19	24.19
	Trimuthi Drugs (Market Value as on 31.03.2011 is Rs 45.60)				59.54	113.81
	Investments in Templton Mutual Funds	1.50	1.59	1.69	1.74	1.82
	<u>Short Term</u>	-	-	-	-	-
	Total (A)	6.36	6.45	31.67	170.72	225.07
B	<u>Unquoted Investments</u>					
	<u>Long Term</u>					
	Loyal Credit and Investments Ltd - OCPS	-	-	250.00	250.00	100.00
	Bewind Power Private Ltd	-	-	17.00	17.00	17.00
	Indonet Global Ltd	40.00	40.00	-	-	-
	Fullbloom Investments Private Ltd	2.00	2.00	-	-	-
	Eco Ventures - Overseas Investment	-	-	-	-	216.54
	<u>Short Term</u>	-	-	-	-	-
	Total (B)	42.00	42.00	267.00	267.00	333.54
	Grand Total (A+B)	48.36	48.45	298.67	437.72	558.61
Note : As company does not estimate any permanent diminution in the value of its Long Term investments, these are carried at cost of investment.						

ANNEXURE 14

STATEMENT OF DEBTORS

(₹ in Lakhs)

Particulars	As At				
	31.03.2007	31.03.2008	31.03.2009	31.03.2010	31.03.2011
Outstanding for the period exceeding Six months	-	-	-	-	-
Other Debts	4.26	2.82	7.95	53.31	1.27
Total	4.26	2.82	7.95	53.31	1.27
Note: Sundry Debtors do not include any related party transactions.					

ANNEXURE 15

STATEMENT OF LOANS & ADVANCES

(₹ in Lakhs)

Particulars	As At				
	31.03.2007	31.03.2008	31.03.2009	31.03.2010	31.03.2011
Loans					
Secured Loans	-	-	-	-	-
Unsecured Loans	-	-	-	-	-
Advances					
Security Deposits	55.00	55.00	134.36	234.36	179.36
Land Advances	-	-	36.54	624.34	1,091.04
Staff Advance	12.33	12.00	12.82	0.62	1.10
Other Advance	119.36	185.58	73.12	677.98	189.27
Total	186.69	252.58	256.84	1,537.30	1,460.77
Above balances include balances with related parties as follows					
Bala K V	43.34	-	2.00	-	-
Prathadevi K B	4.15	-	0.60	-	-
Loyal Credit and Investments Ltd	16.25	-	5.06	279.16	-
Rajasukumar A	-	-	-	-	1.10
Indowind Energy Limited	40.96	20.34	-	-	121.49
Bewind Power Pvt Ltd	-	-	-	82.30	-
Indus Finance Corporation Ltd	1.97	1.97	-	-	-
Indonet Global Ltd	-	-	-	-	-
Bekae Properties Pvt Ltd	-	-	35.00	295.00	-
Subuthi Investments Pvt Ltd	-	-	-	418.54	-
Ravello Advertising Pvt Ltd	1.75	1.75	-	-	-
Indus Capital Pvt Ltd	-	-	-	-	-
Indus Nutri Foods Pvt Ltd.	-	-	-	-	-
Total	108.42	24.06	42.66	1,075.00	122.59

Except as stated in the Details of Related Party Transactions in Annexure 17, none of the beneficiaries of loans & advances are Directors of the Company or Promoters of the Company or related to the directors of the Company or promoters of the Company or to the company in any way.

ANNEXURE 16

STATEMENT OF OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended				
	31.03.2007	31.03.2008	31.03.2009	31.03.2010	31.03.2011
Dividend Income	0.07	0.64	0.10	0.05	0.95
Interest Income	-	-	11.36	4.50	1.55
Total	0.07	0.64	11.46	4.55	2.50

ANNEXURE 17

DETAILS OF RELATED PARTY TRANSACTIONS

(₹ in Lakhs)

Particulars	Nature of Relationship	Name of Related Party	For the year ended				
			31-03-2007	31-03-2008	31-03-2009	31-03-2010	31-03-2011
Sales	Companies in which Promoters have significant interest	Indowind Energy Limited (Sale of Projects)			700.00	400.00	500.00
		Bewind Power Pvt Ltd					
		Indus Finance Corporation Ltd					
		Indonet Global Ltd					
		Bekae Properties Pvt Ltd					
		Subuthi Investments Pvt Ltd					
		Ravello Advertising Pvt Ltd					
		Indus Capital Pvt Ltd					
		Indus Nutri Foods Pvt Ltd.					
	Total				700.00	400.00	500.00
	Promoters	Loyal Credit and Investment Ltd					
		Bala K V					
	Total						
Purchases of Equipments / *Windmills	Companies in which Promoters have significant interest	Indowind Energy Limited				505.00	1244.00*
		Bewind Power Pvt Ltd.				505.00	
		Indus Finance Corporation Ltd					
		Indonet Global Ltd					
		Bekae Properties Pvt Ltd					
		Subuthi Investments Pvt Ltd					
		Ravello Advertising Pvt Ltd					
		Indus Capital Pvt Ltd					
		Indus Nutri Foods Pvt Ltd.					
	Total					1010.00	1244.00
	* Purchases of windmills capitalized						
	Promoters	Loyal Credit and Investment Ltd					
		Bala K V					
	Total						
Professional Fees	Companies in which Promoters has significant interest	Indowind Energy Limited					121.49
		Bewind Power Pvt Ltd					
		Indus Finance Corporation Ltd					
		Indonet Global Ltd					
		Bekae Properties Pvt Ltd					
		Subuthi Investments Pvt Ltd					
		Ravello Advertising Pvt Ltd					
		Indus Capital Pvt Ltd					
		Indus Nutri Foods Pvt Ltd.					
	Total						121.49
Sitting Fees	Directors	Bala K V				0.02	
		Gnana Prabhakaran				0.02	

	Total					0.04	
Managerial Remuneration	Salary (Promoters/KMP)	Kannappan V					3.64
		Ramanathan V					2.22
		Rajasukumar A					6.13
		Sridhar D R					1.18
		Bhuvaneshwari J					1.25
	Total						14.42
Loans/ Advances given during the period	Promoter Group & KMP	Bala K V	5	97	2.31	100	
		Loyal Credit and Investments Ltd	2.5		5.06	343.2	411.34
		Prathadevi K B	0		0.6		
		Raja Sukumar A					1.1
	Total		7.5	97	7.97	443.2	412.44
	Companies in which Promoters have significant interest	Indowind Energy Limited	59.29	23.42	2440.16		121.49
		Bewind Power Pvt Ltd				82.3	
		Indus Finance Corporation Ltd	1.97				
		Indonet Global Ltd				10	
		Bekae Properties Pvt Ltd			35	353	
		Subuthi Investments Pvt Ltd				418.54	572.7
		Ravello Advertising Pvt Ltd	1.75				
		Indus Capital Pvt Ltd					130
		Indus Nutri Foods Pvt Ltd.	0.67				
	Total		63.68	23.42	2475.16	863.84	824.19
Loans/Advances Recovered and receipts during the period	Promoter Group & KMP	Bala K V		140.34	0.31	102	
		Prathadevi K B		4.15		0.6	
		Loyal Credit and Investments Ltd	11.5	16.25		69.1	690.5
		Raja Sukumar A					
	Total		11.5	160.74	0.31	171.70	690.5
	Companies in which Promoters has significant interest	Indowind Energy Limited	22.13	44.04	2440.16		
		Bewind Power Pvt Ltd					82.3
		Indus Finance Corporation Ltd			1.97		
		Indonet Global Ltd				10	
		Bekae Properties Pvt Ltd				93	295
		Subuthi Investments Pvt Ltd					991.24
		Ravello Advertising Pvt Ltd			1.75		
		Indus Capital Pvt Ltd					130
		Indus Nutri Foods Pvt Ltd.	4.19				
	Total		26.32	44.04	2443.88	103	1498.54
Loans/Advance Taken during the period	Promoters & KMP	Bala K V					
		Prathadevi K B					
		Raja Sukumar A					
		Loyal Credit and Investments Ltd			223.5		0.3
	Total				223.5		0.3
	Companies in which Promoters has significant interest	Indowind Energy Limited			2834.48	1422.52	1295.82
		Bewind Power Pvt Ltd			1257.39	65.5	
		Indus Finance Corporation Ltd			175.03		
		Indonet Global Ltd			34.36	12.39	

		Bekae Properties Pvt Ltd				5	
		Subuthi Investments Pvt Ltd			1		
		Ravello Advertising Pvt Ltd					
		Indus Capital Pvt Ltd					
		Indus Nutri Foods Pvt Ltd.	3.59	32.55			9.5
	Total		3.59	32.55	4302.26	1505.41	1305.32
Loans/ Advances Repaid and payments during the period	Promoters & KMP	Bala K V					
		Prathadevi K B					
		Loyal Credit and Investments Ltd			223.5		0.3
		Raja Sukumar A					
	Total				223.5		0.3
	Companies in which Promoters has significant interest	Indowind Energy Limited	1.39			1414.22	1385.71
		Bewind Power Pvt Ltd			1189.39	1490.7	
		Indus Finance Corporation Ltd			175.03		
		Indonet Global Ltd				46.75	
		Bekae Properties Pvt Ltd				5	
		Subuthi Investments Pvt Ltd			1		
		Ravello Advertising Pvt Ltd					
		Indus Capital Pvt Ltd					
		Indus Nutri Foods Pvt Ltd.	2.32	11.32	22.5		9.5
	Total		3.71	11.32	1387.92	2956.67	1395.21
Rent paid	Promoters & KMP	Bala K V					
		Prathadevi K B					
		Loyal Credit and Investments Ltd					
		Rajasukumar A					
	Total						
	Companies in which Promoters has significant interest	Indowind Energy Limited					0.3
		Bewind Power Pvt Ltd					
		Indus Finance Corporation Ltd					
		Indonet Global Ltd					
		Bekae Properties Pvt Ltd					
		Subuthi Investments Pvt Ltd					
		Ravello Advertising Pvt Ltd					
		Indus Capital Pvt Ltd					
		Indus Nutri Foods Pvt Ltd.					
	Total						0.3
Outstanding Balance at the end of the year Receivables (net of Payable)	Promoters & KMP	Bala K V	43.34		2		
		Prathadevi K B	4.15		0.6		
		Loyal Credit and Investments Ltd	16.25		5.06	279.16	
		Rajasukumar A					1.1
	Total		63.74		7.66	279.16	1.1
	Companies in which Promoters has significant interest	Indowind Energy Limited (Payable)			(1776.14)	(1061.64)	(1259.03)
		Indowind Energy Limited (Advance given)	40.96	20.34			121.49
		Bewind Power Pvt Ltd			(68.00)	82.3	
		Indus Finance Corporation Ltd	1.97	1.97			
		Indonet Global Ltd			(34.36)		

		Bekae Properties Pvt Ltd			35	295	
		Subuthi Investments Pvt Ltd				418.54	
		Ravello Advertising Pvt Ltd	1.75	1.75			
		Indus Capital Pvt Ltd					
		Indus Nutri Foods Pvt Ltd.	(1.27)	(22.5)			
	Total		43.41	1.56	(1843.5)	(265.8)	(1137.54)

ANNEXURE 18

DETAILS OF CONTINGENT LIABILITIES

There is an income tax demand of ₹ 70,05,740/- for the A Y 2008-09 raised on Fullbloom Investments Private Limited the company which amalgamated with our Company with effective date being 1st April 2008, through the approval of the Hon'ble High Court of Madras. The Company has filed appeal before the Commissioner – Appeals as also moved a rectification petition before the assessing officer as there is a mistake apparent on record. The appeal as well as the rectification petition are yet to be disposed off.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements included in this Draft Red Herring Prospectus. You should also read the Section titled '*Risk Factors*' beginning on page 12 of this Draft Red Herring Prospectus, which enumerates number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to our Company on a standalone basis, and unless otherwise stated, is based on our restated unconsolidated financial statements, which have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act, 1956, and the SEBI (ICDR) Regulations, 2009. Our Financial year ends on March 31 of each year.

Business Overview

We are an independent renewable energy-based power generation company focused on developing, owning and operating alternate sources of energy producing assets. Our Company has wind energy power projects at Tamil Nadu and Karnataka. We are also focusing on the development and operating solar power generating plants at Tamil Nadu and Gujarat with a capacity of 5 MW each. We are also doing agriculture including organic farming in excess wind farm land and exclusive farmlands acquired.

OUR WIND ENERGY BUSINESS

Our Company started commercial generation of wind energy in the year 2007 with capacity of 1 MW. As a part of our business strategy, we increased our installed capacity for generating wind energy. As on March 31, 2011 our installed wind mill capacity stood at 11.40 MW. Our operating wind farms are located in the States of TamilNadu & Karnataka, which are among the top Indian states with the highest wind potential (source: www.mnre.gov.in/annualreport/2010_11_English/index.htm)

The power generated from our wind farms are sold for captive purpose to Corporates, TANGEDCO and BESCOM. As a corporate policy and business strategy the power produced from the Wind Electric Generators ("WEGs") owned by us are sold through our Group Companies, Indowind Energy Limited and Indowind Power Private Limited who enter into Power Purchase Agreements with the respective consumers. Our captive consumers are large power consumers who need reliable power supply and also look at improving their corporate social responsibility by consuming green power.

OUR SOLAR ENERGY BUSINESS

Gujarat is the first State in India which has announced a viable feed-in-tariff of ₹ 15 per unit for 12 years and ₹ 5 per unit for the balance 13 years enabling a 25 year PPA to be signed for solar projects being set up in the State of Gujarat. Under the Vibrant Gujarat Policy, 2009 Government of Gujarat has allotted around 970 MW capacity of solar projects in two phases which are expected to be operational by 2012-13. The next phase of allotment is awaited where all the companies whose expression of interest for setting up solar power plant were registered by issuing certificate of registration signed during Vibrant Gujarat 2011 summit would be eligible for allotment.

As a part of our business strategy our Company is now venturing into the generation of power through solar energy, which is eco friendly. We are planning to set up 25 MW of solar power projects in Gujarat. These projects are proposed to be set in more than two phases. The total land required for 25 MW is approximately 100 acres and our Company has identified 100 acres of contiguous land in Nanichandur village, Sami Taluk, Patan district in Gujarat.

Out of the above 100 acres, our Company has already purchased 20.12 acres of land from the vendors for setting up 5MW of solar power project in the first phase and the Deeds of Conveyance for the same have been executed and lodged for Registration with the concerned authority.

Further, our Group Companies, Bekae Properties Pvt. Ltd. and Ravello Advertising Pvt. Ltd. have purchased approximately 20.17 acres and 16.12 acres of land respectively and the Deeds of Conveyance have been executed and lodged for Registration with the concerned authority. Our

Company has entered into an MOU with Bekae Properties Pvt. Ltd and Ravello Advertising Pvt. Ltd. for taking the land on lease for setting up solar power projects in the next phase.

In respect of the balance 44 acres of land, some of our Group Companies are in the process of purchasing the same from the vendors. After the land is purchased and registration of the Deed of Conveyance for the same are lodged for registration/registered, our Company proposes to enter into an MOU/Lease Agreement with the concerned Group Companies for setting the solar power projects in third and fourth phases.

Phase I (5MW) Solar Power Project

We have applied and have registered our Expression of Interest vide a certificate of Registration dated January 13, 2011 in the Vibrant Gujarat Summit, 2011 for allotment of upto 10 MW capacity In Phase I we propose to set up a 5MW solar power plant for which the land has been already acquired and we have entered into an agreement dated October 06, 2010 appointing PLG Power Limited as the EPC contractor. The cost of project as estimated by PLG Power Limited for setting up a 5MW solar power plant is ₹ 9,000 Lakhs which is proposed to be met fully from the proceeds of this Issue. For details on the cost of project please refer to Chapter titled “*Objects of the Issue*” beginning on page 65 of this DRHP.

Installed Capacity

With initial capacity of 1000 KW and installation of 4 windmill in 2004, our Company has till date installed 29 windmills with total capacity of 11,400 KW.

The existing state wise installed capacities are given below:

	Year Ended				
	2007	2008	2009	2010	2011
	Installed Capacity(MW)	Installed Capacity(MW)	Installed Capacity(MW)	Installed Capacity(MW)	Installed Capacity(MW)
Tamil Nadu	1.00	1.00	8.25	8.25	9.90
Karnataka	-	-	-	-	1.50
Total	1.00	1.00	8.25	8.25	11.40

Significant developments subsequent to the last financial year

After the date of last financial year i.e. March 31, 2011, the Directors of our Company confirm that in their opinion, there have not been any significant material developments.

Key factors affecting the results of operation

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

- Non – receipt of pending approvals for the proposed projects.
- Adverse change in the prevailing trends in the wind energy industry and solar energy industry in which our company operates or intends to operate.
- Seasonality and weather conditions impacting energy generation.
- Company’s ability to successfully implement its marketing, business and growth strategies.
- Changes in the regulations / regulatory framework / economic policies / political conditions in India.

OUR SIGNIFICANT ACCOUNTING POLICIES

For details on Significant Accounting Policies, please refer to the Chapter titled “*Financial Statements*” beginning on page 165 of this Draft Red Herring Prospectus.

Discussion on Results of Operation:

The following discussions on results of operations should be read in conjunction with the audited financial results of our Company years ended 31st March, 2007, 2008, 2009, 2010 and 2011.

Breakup of Revenue under major heads of Income

Particulars	FY 2011		FY 2010		FY 2009	
	(₹ In Lakhs)	%	(₹ In Lakhs)	%	(₹ In Lakhs)	%
Power Income	381.68	42.89%	435.16	23.26%	284.31	26.55%
Project Income	500.00	56.19%	400.00	21.38%	700.00	65.38%
Agricultural Income	5.64	0.63%	9.43	0.50%	0.00	0.00%
Other Income	2.50	0.28%	6.33	0.34%	86.39	8.07%
Sale of Equipment	0.00	0.00%	1020.00	54.52%	0.00	0.00%
Total	889.82	100.00%	1870.92	100.00%	1070.70	100.00%

Financial Performance of the Company

(₹ In Lakhs)

Particulars	FY 2011	FY 2010	FY 2009
Total Income	889.82	1870.92	1070.70
Total Operating Expenditure	288.43	1077.38	305.94
PBDIT	601.39	793.54	764.76
Less : Depreciation	514.62	705.75	687.66
PBDT	86.77	87.79	77.10
Less : Finance Cost	-	-	-
PBT	86.77	87.79	77.10
PAT (Before Dividend)	92.28	150.26	43.527
EPS (₹)	1.13	2.27	0.69
Net Worth	2401.95	2149.43	922.28
RONW %	3.84%	6.99%	4.72%

(₹ In Lakhs)

Particulars	31.03.07	31.03.08	31.03.09	31.03.10	31.03.11
	12 Months	12 Months	12 Months	12 Months	12 Months
Power Income	33.14	30.96	284.31	435.16	381.68
Project Sale	-	-	700.00	400.00	500.00
Sale of Equipments				1020.00	
Agricultural Income	-	-	-	9.43	5.64
Other Income	.07	.64	86.39	6.33	2.50
Total Income	33.21	31.60	1070.70	1870.92	889.82
Staff Expenses	6.09	7.28	18.01	30.12	52.12
% to Total Income	18.34%	23.04%	1.68%	1.61%	5.86%
Administrative & Establishment expenses	1.55	4.28	49.12	31.10	225.56
% to Total Income	4.67%	13.54%	4.59%	1.66%	25.35%
Purchase of Equipments	-	-	-	1010.00	-
% to Total Income	0.00%	0.00%	0.00%	53.98%	0.00%
Agricultural Expenses	-	-	-	3.43	10.75
% to Total Income	0.00%	0.00%	0.00%	0.18%	1.21%
Total Expenditure	7.64	11.56	305.94	1077.38	288.43
% to Total Income	23.01%	36.58%	28.57%	57.59%	32.41%

PBDIT	25.57	20.04	764.76	793.54	601.39
% to Total Income	76.99%	63.42%	71.43%	42.41%	67.59%
Depreciation	20.20	12.12	687.66	705.75	514.62
% to Total Income	60.83%	38.35%	64.23%	37.72%	57.83%
Profit Before Interest and Tax	5.37	7.92	77.10	87.79	86.77
% to Total Income	16.17%	25.06%	7.20%	4.69%	9.75%
Interest	-	-	-	-	-
% to Total Income	0.00%	0.00%	0.00%	0.00%	0.00%
Profit Before Tax	5.37	7.92	77.10	87.79	86.77
% to Total Income	16.17%	25.06%	7.20%	4.69%	9.75%
Provision for Current Tax & Deferred Tax	.05	.82	33.57	(62.47)	(5.51)
% to Total Income	0.15%	2.59%	3.14%	-3.34%	-0.62%
Profit After Tax	5.32	7.10	43.53	150.26	92.28
% to Total Income	16.02%	22.47%	4.07%	8.03%	10.37%
Dividend (incl. Tax on Dividend)	-	-	-	57.97	77.03
Profit transferred to Reserves	5.32	7.10	43.53	92.29	15.25

Fiscal 2011 v/s 2010

Revenue

Power Income

Power Income for FY 2011 is ₹ 381.68 Lakhs as compared to ₹ 435.16 Lakhs during FY 2010 showing a decrease of 12.29% due to non-availability of TANGEDCO's grid for evacuation of power during the peak season. Unit generation in FY 11 was 1,31,59,652 KWh as against 1,48,29,285 KWh in FY 10.

Project Sale

Net Income generated from Projects of 4.10 MW sold during FY 2011 is ₹ 500 Lakhs as compared to ₹ 400 Lakhs earned from 5.00 MW projects sold during FY 2010 showing an increase of 25% due to factors like performance, location and expected active life of the machines sold.

Sale of Equipments

Any purchase or sale of equipments of windmills was not carried out in FY 2011, sale of equipments in FY 2010 amounted to ₹ 1020 Lakhs.

Agricultural Income

Agricultural Income for FY 2011 is ₹ 5.64 Lakhs as compared to ₹ 9.43 Lakhs during FY 2010 showing a decrease of 40.19% due to lower yield of crops mainly mangoes.

Total Revenue

Total Revenue for FY 2011 is ₹ 889.82 Lakhs as compared to ₹ 1870.92 Lakhs during the FY 2010 showing a decrease of 52.44%. The decrease in total revenue is mainly due to a decrease in amount of sale of equipments from ₹ 1020.00 Lakhs in FY 2010 to NIL during FY 2011 and decrease in Power Income from ₹ 435.16 Lakhs in FY 2010 to ₹ 381.68 Lakhs in FY 2011. Other Income for FY 2011 is ₹ 2.50 Lakhs as compared to ₹ 6.33 Lakhs in FY 2010.

Expenditure

Staff Expenses

Staff Expenses for FY 2011 is ₹ 52.12 Lakhs as compared to ₹ 30.12 Lakhs during the FY 2010 showing an increase of 73.01%. In proportion to Total Income, it has shown an increase from 1.61% to 5.86% in the same period. Increase in amount of Staff Expenses in proportion to Total Income is due to addition in staff and decrease in Total Income compared to FY 2010.

Administrative and Establishment Expenses

Administrative and Establishment Expenses for FY 2011 is ₹ 225.56 Lakhs as compared to ₹ 31.10 Lakhs during the FY 2010 showing an increase of 625.27%. In proportion to Total Income, it has shown an increase from 1.66% to 25.35% in the same period. Increase in amount of Administrative and Establishment expenses is due to payment of facilitation fees for increasing the power revenue for future years.

Purchase of Equipments

Amount of Purchase of Equipments of Windmills for FY 2011 is NIL as compared to ₹ 1010.00 Lakhs during the FY 2010. Company has not entered into transaction of equipments purchase and sale during FY 2011.

Agricultural Expenses

Agricultural Expenses for FY 2011 is ₹ 10.75 Lakhs as compared to ₹ 3.43 Lakhs during the FY 2010 showing an increase of 213.41%. In proportion to Total Income, it has shown an increase from 0.18% to 1.21% in the same period. Increase in amount of Agricultural expenses is due to increase in expenses like weeding and planting, fertilizers for increasing the yield etc.

Profit before Depreciation, Interest and Tax (PBDIT)

Profit before Depreciation, Interest and Tax for FY 2011 is ₹ 601.39 Lakhs as compared to ₹ 793.54 Lakhs during FY 2010 showing a decrease of 24.21%. This decrease is mainly due to increase in Administrative and Establishment expenditure as well as decrease in Power income. In proportion to Total Income, it has shown an increase from 42.41% to 67.59% in the same period.

Depreciation

Depreciation on fixed assets for FY 2011 is ₹ 514.62 Lakhs as compared to ₹ 705.75 Lakhs during the FY 2010 showing a decrease of 27.08%. This was due to the fact that addition in capacity during FY 2011 was made in the second half of financial year which resulted in lower depreciation for FY 2011 as compared to FY 2010.

Interest Cost

Company has not incurred any interest expenditure in FY 2011 and in FY 2010.

Profit after Tax

Profit after Tax for FY 2011 is ₹ 92.28 Lakhs as compared to ₹ 150.26 during FY 2010 showing a decrease of 38.59%. The decrease in PAT is mainly due to increase in Administrative and Establishment expenditure as well as decrease in Power income. In proportion to Total Income, it has shown an increase from 8.03% to 10.37% in the same period.

Dividend

Dividend (incl. tax on Dividend) paid for FY 2011 is ₹ 77.03 Lakhs as compared to ₹ 57.97 Lakhs in FY 2010.

Fiscal 2010 v/s 2009

Revenue

Power Income

Power Income for FY 2010 is ₹ 435.16 Lakhs as compared to ₹ 284.31 Lakhs during FY 2009 showing an increase of 53.06% due to the fact that addition in FY 2009 was made during second half of FY 2009 which has resulted in increasing Power Income for FY 2010. As a result corresponding increase in Power Income in FY 2010 is higher compared to FY 2009. There has been no addition in capacity during FY 2010.

Project Sale

Net Income generated from Projects sold during FY 2010 is ₹ 400 Lakhs as compared to 700 Lakhs during FY 2009 showing a decrease of 42.86% due to factors like performance, location and expected active life of the machines sold.

Sale of Equipments

Amount of equipments of windmills sold during FY 2010 is ₹ 1020 Lakhs as compared to NIL in FY 2009.

Agricultural Income

Agricultural Income for FY 2010 is ₹ 9.43 Lakhs as compared to NIL during FY 2009 since agricultural activity started in FY 2010.

Total Revenue

Total Revenue for FY 2010 is ₹ 1870.92 Lakhs as compared to ₹ 1070.70 Lakhs during the FY 2009 showing an increase of 74.74%. The increase in Total Revenue is mainly due to an increase in amount of sale of equipments from NIL amounts in FY 2009 to ₹ 1020.00 Lakhs in FY 2010 and increase in Power Income from ₹ 284.31 Lakhs in FY 2009 to ₹ 435.16 Lakhs in FY 2010. Other Income for FY 2010 is ₹ 6.33 Lakhs as compared to ₹ 86.39 Lakhs in FY 2009; decrease in Other Income is due to reduction in Interest received since Fixed Deposits were liquidated for investing in project assets and also due to sale of stock in trade during FY 2009.

Expenditure

Staff Expenses

Staff Expenses for FY 2010 is ₹ 30.12 Lakhs as compared to ₹ 18.01 Lakhs during the FY 2009 showing an increase of 67.24%. In proportion to Total Income, it has shown a decrease from 1.68% to 1.61% in the same period. Increase in amount of staff expenses is due to increase in no. of employees.

Administrative and Establishment Expenses

Administrative and Establishment Expenses for FY 2010 is ₹ 31.10 Lakhs as compared to ₹ 49.12 Lakhs during the FY 2009 showing a decrease of 36.69%. In proportion to Total Income, it has shown a decrease from 4.59% to 1.66% in the same period. Decrease in amount of Administrative and Establishment expenses is due to decrease in expenditures like repairs and maintenance, fees etc.

Purchase of Equipments

Amount of purchase of equipments of windmills for FY 2010 is ₹ 1010.00 Lakhs as compared to NIL amounts during the FY 2009. Company has entered into purchase and sale of equipments only during FY 2010.

Agricultural Expenses

Agricultural Expenses for FY 2010 is ₹ 3.43 Lakhs as compared to NIL amounts during the FY 2009. In proportion to Total Income, it was 0.18% in FY 2010. Agricultural activity was started in FY 2010.

Profit before Depreciation, Interest and Tax (PBDIT)

Profit before Depreciation, Interest and Tax for FY 2010 is ₹ 793.54 Lakhs as compared to ₹ 764.76 Lakhs during FY 2009 showing an increase of 3.76%. This increase is due to increase in Power Income and reduction in Administrative and Establishment Expenses. In proportion to Total Income, it has shown a decrease from 71.43% to 42.41% in the same period.

Depreciation

Depreciation on fixed assets for FY 2010 is ₹ 705.75 Lakhs as compared to ₹ 687.66 Lakhs during the FY 2009 showing an increase of 2.63%. This was due to the fact that addition in capacity during FY 2009 was made in the second half of financial year which resulted in higher depreciation for FY 2010 as compared to FY 2009.

Interest Cost

Company has not incurred any interest expenditure in FY 2010 and in FY 2009.

Profit after Tax

Profit after Tax for FY 2010 is ₹ 150.26 Lakhs as compared to ₹ 43.53 during FY 2009 showing an increase of 245.21%. The increase in PAT is mainly due to increase in power income and increase in Deferred Tax Assets. In FY 2009, Deferred Tax Liability amounted to ₹ 24.82 Lakhs and in FY 2010, Deferred Tax Assets amounted to ₹ 50.58 Lakhs. In proportion to Total Income, it has shown an increase from 4.07% to 8.03% in the same period.

Dividend

Dividend (incl. tax on Dividend) paid for FY 2010 is ₹ 57.97 Lakhs. Dividend was not declared in FY 2009.

Fiscal 2009 v/s 2008

Revenue

Power Income

Power Income for FY 2009 is ₹ 284.31 Lakhs as compared to ₹ 30.96 Lakhs during FY 2008 showing an increase of 818.31% due to merger of Fullbloom Investments Pvt. Ltd.. Merger increased the capacity by 2 MW. The company has also made addition of 5.25 MW during the year.

Project Sale

Net Income generated from Projects sold during FY 2009 is ₹ 700 Lakhs as compared to NIL amounts during FY 2008.

Sale of Equipments

Any purchase or sale of equipments of windmills was not carried out in FY 2009 and in FY 2008.

Agricultural Income

Agricultural Income for FY 2009 and FY 2008 is NIL.

Total Revenue

Total Revenue for FY 2009 is ₹ 1070.70 Lakhs as compared to ₹ 31.60 Lakhs during the FY 2008 showing an increase of 3288.29%. The increase in Total Revenue is mainly due to an increase in amount of net income generated from projects sold from NIL amounts in FY 2008 to ₹ 700 Lakhs in FY 2009 and increase in Power Income from ₹ 30.96 Lakhs in FY 2008 to ₹ 284.31 Lakhs in FY 2009. Other Income for FY 2009 is ₹ 86.39 Lakhs as compared to ₹ 0.64 Lakhs in FY 2008; increase in Other Income is due to higher interest income on Fixed Deposits and also due to sale of stock in trade during FY 2009.

Expenditure**Staff Expenses**

Staff Expenses for FY 2009 is ₹ 18.01 Lakhs as compared to ₹ 7.28 Lakhs during the FY 2008 showing an increase of 147.39%. In proportion to Total Income, it has shown a decrease from 23.04% to 1.68% in the same period. Increase in amount of staff expenses is due to addition of staff of Fullbloom Investments Pvt. Ltd. Merged with the company.

Administrative and Establishment Expenses

Administrative and Establishment Expenses for FY 2009 is ₹ 49.12 Lakhs as compared to ₹ 4.28 Lakhs during the FY 2008 showing an increase of 1047.66%. In proportion to Total Income, it has shown a decrease from 13.54% to 4.59% in the same period. Increase in amount of Administrative and Establishment expenses is due to increase in expenses like repairs, stamp duty on increase in authorized capital and fees.

Purchase of Equipments

Any purchase or sale of equipments of windmills was not carried out in FY 2009 and in FY 2008.

Agricultural Expenses

Agricultural Expenses for FY 2009 and FY 2008 is NIL.

Profit before Depreciation, Interest and Tax (PBDIT)

Profit before Depreciation, Interest and Tax for FY 2009 is ₹ 764.76 Lakhs as compared to ₹ 20.04 Lakhs during FY 2008 showing an increase of 3716.17%. This increase is due to increase in Power Income and income from Projects Sale. In proportion to Total Income, it has shown an increase from 63.42% to 71.43% in the same period.

Depreciation

Depreciation on fixed assets for FY 2009 is ₹ 687.66 Lakhs as compared to ₹ 12.12 Lakhs during the FY 2008 showing an increase of 5573.79%. This was due to increase in Fixed Assets due to merger of Fullbloom Investments Pvt. Ltd.

Interest Cost

Company has not incurred any interest expenditure in FY 2009 and in FY 2008.

Profit after Tax

Profit after Tax for FY 2009 is ₹ 43.53 Lakhs as compared to ₹ 7.10 during FY 2008 showing an increase of 513.06%. The increase in PAT is mainly due to increase in Power Income and income from Projects Sale. In proportion to Total Income, it has shown a decrease from 22.47% to 4.07% in the same period.

Dividend

Dividend was not declared in FY 2009 and in FY 2008.

Analysis of Negative Cash Flows

Our Company had negative cash flows for the following financial years :

(₹ in Lakhs)					
Particulars	Year Ended March 31, 2007	Year Ended March 31, 2008	Year Ended March 31, 2009	Year Ended March 31, 2010	Year Ended March 31, 2011
Net cash from /(used in) Operating Activities	(0.12)	(14.78)	*	(955.54)	*
Net cash from /(used in) Investing Activities	*	*	(1,872.06)	*	(1,395.00)
Net cash from /(used in) Financing Activities	*	*	*	(61.59)	*

** indicates positive cash flows*

FY ended 31, 2011

For FY 2011, our Company has negative cash flow from Investing activities amounting to ₹1395.00 Lakhs. During FY 2011, company has paid ₹ 1276.61 Lakhs for fixed assets for increasing the capacity from 8.25 MW in FY 2010 to 11.4 MW in FY 2011. Purchase of Investments amount to ₹ 120.89.

FY ended 31, 2010

For FY 2010, our Company has negative cash flow from Operating activities amounting to ₹955.54 Lakhs. For the FY 2010, the Operating profit before working capital changes is ₹ 852.19 Lakhs. The cash flow is negative due to increase in Sundry Debtors, Loans and Advances as well as decrease in Sundry Creditors. Debtors for the FY 2010 stood at ₹ 53.31 Lakhs as compared to ₹ 7.95 Lakhs for FY 2009 showing an increase of 570.57%. The significant increase in debtors is due to capacity addition in the year 2009. Loans and Advances for FY 2010 stood at ₹ 1537.30 Lakhs as compared to ₹ 256.84 Lakhs for FY 2009 due to addition in security deposits, Land advances and Other advances. Sundry Creditors for FY 2010 stood at ₹ 1462.15 Lakhs as compared to ₹ 1878.59 Lakhs for FY 2009 due to reduction in sundry creditors for assets. Further we also have negative cash flow from Financing activities amounting to ₹ 61.59 Lakhs due to payment of Dividend.

FY ended 31, 2009

For FY 2009, our Company has negative cash flow from Investing activities amounting to ₹1872.06 Lakhs. During FY 2009, company has paid ₹ 1689.60 Lakhs for Fixed assets for increasing the capacity. Purchase of Investments amount to ₹ 193.92 Lakhs. Increase in Fixed assets and Investments due to merger of Fullbloom Investments Pvt. Ltd. is not taken into account while calculating cash flows since the acquisition was not carried out through payment of cash.

FY ended 31, 2008

For FY 2008, our Company has negative cash flow from Operating activities amounting to ₹ 14.78 Lakhs. For the FY 2008, the Operating profit before working capital changes is ₹ 18.58 Lakhs. The cash flow is negative due to increase in Loans and Advances. Loans and Advances for FY 2008 stood at ₹ 252.58 Lakhs as compared to ₹ 186.69 Lakhs for FY 2007.

FY ended 31, 2007

For FY 2007, our Company has negative cash flow from Operating activities amounting to ₹0.12 Lakhs. For the FY 2007, the Operating profit before working capital changes is ₹ 25.45 Lakhs. The

cash flow is negative due to increase in Loans and Advances. Loans and Advances for FY 2007 stood at ₹ 186.69 Lakhs as compared to ₹ 162.73 Lakhs for FY 2006.

Related Party Transactions

For details of related party transactions, please refer to the section titled “Related Party Transactions” beginning on page 191 of this Draft Red Herring Prospectus.

FACTORS THAT MAY AFFECT THE RESULTS OF THE OPERATIONS:

Several factors influence our results of operations, financial condition and cash flow significantly. The key factors affecting our operations include:

1. Unusual or infrequent events or transactions.

There have been no unusual or infrequent events or transactions that have taken place.

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

Government’s focus on the renewable energy sector will have a major bearing on the companies involved in this industry. Accordingly, any major changes in the policies of the Government may have an impact on our operations

Except the above, there are no significant economic changes that may materially affect or 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 sales, revenue or income from continuing operations.

Other than described in the Chapters titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” beginning on pages 12 and 196, respectively of this Draft Red Herring Prospectus, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenues or income from continuing operations.

4. Future changes in relationship between costs and incomes

Other than described in the Chapters titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” beginning on pages 12 and 196, respectively of this Draft Red Herring Prospectus, to our knowledge there are no known factors which will have a material adverse impact on our operations and finances.

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

The increase in net sales or revenue is mainly on account of increase in volume and general increase in sales price in the normal course of business.

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

Please refer to Chapter titled ‘Industry Overview’ beginning on page 87 of this Draft Red Herring Prospectus. However, there are no published data available with our Company for total turnover of the industry in which our Company operates.

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

Our Company has not announced any new product and segment except in the ordinary course of our business.

8. Seasonality in our operations

Our Company is affected by the weather patterns and the peak energy generation period is between April to October due to the south westerly wind pattern. The same is reflected in higher PLF by the WEGs.

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

For details please refer risk factor no. 16 beginning on page no. 19 of this Draft Red Herring Prospectus.

10. Competitive conditions

Competitive conditions are as described under the Chapter titled “Our Business” beginning on page 97 of this Draft Red Herring Prospectus.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

There are no outstanding litigations, suits or civil or criminal prosecution against our Company, our Directors, our Promoters and our Group/Associate Companies or any disputes, tax liabilities, non payment of statutory dues, overdues to banks/ financial institutions, defaults against banks/ financial institutions, defaults in dues towards instrument holders like debenture holders, fixed deposits, bonds and arrears on cumulative preference shares issued by our Company, defaults in creation of full security as per terms of issue/ other liabilities, proceedings initiated for economic/ civil/ any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act) against our Company, our Directors and our Promoters, except as described below. Further, Our Company, our Directors, Companies with which our Directors are associated as directors or promoters, Promoters, their Relatives or companies promoted by our Promoters and the Directors or the person in control of our Promoter Company have not been declared as willful defaulter by the Reserve Bank of India and also have not been debarred from dealing in securities and/ or accessing the capital markets by SEBI and no disciplinary action has been taken against them by SEBI except as described below:

I Litigations involving our Company and contingent liabilities of our Company

A. Contingent liabilities not provided for as on March 31, 2011

There is an income tax demand of ₹ 70,05,740 for the AY 2008-09 raised on Full Bloom, the company which amalgamated with our Company on April 1, 2008 pursuant to the order of High Court of Madras dated September 15, 2009. Full Bloom has filed an appeal before the Commissioner of Appeals and has also moved a rectification petition before the Assessing Officer. The appeal as well as the rectification petition are yet to be disposed off.

B. Outstanding litigations against our Company

There are no outstanding litigations of our Company.

C. Outstanding litigations by our Company

There are no outstanding litigations by our Company.

D. Notices received by our Company

- **Legal Notices**

Nil

- **Miscellaneous Notices**

Nil

II Proceedings initiated against our Company for economic offences

There are no proceedings initiated against our Company for any economic offences.

III Details of past penalties imposed on our Company by the authorities concerned

There are no past penalties imposed on our Company by the authorities concerned.

IV Potential litigation against our Company

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

V Adverse findings against our Company as regards compliance with the securities laws

There are no adverse findings against our Company as regards compliance with the securities laws.

VI Material developments since the last balance sheet date

Except as disclosed in the Chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 196, in the opinion of our Company’s Board, there have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay material liabilities within the next 12 months.

VII Litigation against the Directors of our Company

A. Outstanding litigation and material developments/proceedings against our Directors

Except as disclosed below, there are no outstanding litigations involving our Directors including criminal prosecutions or civil proceedings involving our Directors, and there are no material defaults, non-payment of statutory dues, over dues to banks/financial institutions or defaults against banks/financial institutions by our Directors (including disputed tax liabilities, 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). However, incidental to the business of our Company, parties may from time to time file suits impleading our Company through or along its respective officers and Directors in their official capacity.

(i) Mr. K V Bala

Nil

(ii) Mr. Niranjan Jagtap

Nil

(iii) Mr. K K Gnana Prabhakaran

Nil

(iv) Mr. V. Kannappan

- (a) *S. Rajeshkumar v/s Cosmopolis Properties Private Limited, K. Saravanan, S. Thilagavathy, S. Sideshkumar, Bekae Properties Limited, V. Kannappan, K.K. Govindamoorthy and Asian Health & Nutri Foods Limited, CLB/ CP/73/2010 before the Company Law Board, Chennai***

An application has been made to the Company Law Board to declare the articles of association of Cosmopolis Properties Private Limited as null and void and for restoring the articles of association as framed at the time of incorporation of the said company. Our Director Mr. V. Kannappan is also a director on the board of Cosmopolis Properties Private Limited and has been made a party to the said matter. The matter is posted for hearing on July 13, 2011.

- (b) *Cosmopolis Properties Private Limited and S. Sideshkumar v/s K. Saravanan, S. Thilagavathy, V Kannappan, K.K. Govindamoorthy, Bekae Properties Limited and S. Rajeshkumar, C.C. 05/410/2011 before the Additional District Munchief Court, Salem***

An application has been made by Mr. S. Sideshkumar to the Additional District Munchief Court, Salem to stop the conduct of board meeting of Cosmopolis

Properties Private Limited. Our Director Mr. V. Kannappan is also a director on the board of Cosmopolis Properties Private Limited and has been made a party to the said matter. The matter has been posted for hearing on July 15, 2011.

(c) *ICICI Bank Limited v/s Cosmopolis Properties Private Limited, S. Sideshkumar, K. Saravanan, V. Kannappan, K.K. Govindamoorthy and S. Thilagavathy, C.C No. 1593 of 2010 before the Metropolitan Magistrate Court, Georgetown, Chennai:*

A complaint has been filed under Section 138 of the Negotiable Instruments Act, 1881 by ICICI Bank Limited against Cosmopolis Properties Private Limited. Our Director Mr. V. Kannappan is a director on the board of Cosmopolis Properties Private Limited and has been made a party to the said matter.

B. Outstanding litigation and material developments/proceedings filed by the Directors

There are no pending litigations, including disputed outstanding litigations and material developments/proceeding filed by the Directors.

C. Proceedings initiated against the Directors for economic offences

There are no proceedings initiated against the Directors for any economic offences.

D. Details of past penalties imposed on our Directors by the authorities concerned

There are no past penalties imposed on the Directors by the authorities concerned.

E. Litigations against the Directors involving violation of statutory regulations or alleging criminal offence

There are no litigations against the Directors involving violation of statutory regulations or alleging criminal offence.

F. Criminal/civil cases against the Directors towards tax liabilities

There are no criminal/civil cases against the Directors towards tax liabilities.

G. Disciplinary action taken by SEBI or the Stock Exchanges against our Company

No disciplinary action has been taken by SEBI or the Stock Exchanges against our Company.

VIII Litigation involving our Group Companies whose outcome could have a materially adverse effect on the position of our Company

OUTSTANDING LITIGATIONS INVOLVING INDUS FINANCE CORPORATION LIMITED

Outstanding litigations against Indus Finance Corporation Limited

Income Tax Litigations

(d) *Block Assessment – Assessment Years 1993-94 and 1996-97*

The Deputy Commissioner of Income Tax, Special range – X Chennai had passed an order raising a demand of ₹ 1,02,43,906, disallowing a claim of depreciation. The status of company's two appeals relating to the demand are as under:

1. The company has filed an appeal before the Hon'ble High Court of Madras in Tax Appeal No. 590/2008 against the order passed by the Income Tax Appellate Tribunal in the Miscellaneous Petition preferred by the company.
2. The company has filed an appeal before the Hon'ble High Court of Madras in Tax Appeal No. 536/2005 against the order passed by the Income Tax Appellate Tribunal in the rectification petition preferred by the company.

(e) Assessment year 1995-96

Indus Finance Corporation Limited (the “company”) has filed the W.P. 29083/2007 against the order of the Commissioner of Income Tax, Chennai III dismissing to condone the delay in filing the rectification petition has been heard and verdict is awaited. The company’s prayer for revision of the order for the said assessment year is for deletion of certain Income & Expenditure from the return of income filed, in tune with the stand taken by the Income Tax Department for the subsequent assessment years. Though there is no demand for the year under consideration, if the company’s revision petition is favorably considered, the company would get a net benefit of ₹1,78,00,000 by way of deletion of income which can be carried over for subsequent assessment years for set off. The High Court *vide* its order dated November 18, 2010 condoned the delay and has further directed the Commissioner of Income Tax, Chennai III to pass the order within a period of four months from the date of receipt of the order. The department, while challenging the order passed, had also sought for interim stay against operation of the subject order in its W.A. No. 640 of 2011. *Vide* its order dated April 9, 2011 the High Court of Madras has awarded an interim stay in the matter. The writ appeal is due for hearing in July 2011.

(f) Assessment year 2002-03

Indus Finance Corporation Limited (the “company”) had offered to tax, certain waivers of expenses, which should have been paid and which were earlier claimed as expenditure in the A.Y. 1999-2000. However, subsequent to filing of return of income for the A.Y. 2002-03, the department framed the order of assessment for the A.Y. 1999-2000 disallowing the expenditure which were offered to tax in the A.Y. 2002-03, as a result of waiver. The company, therefore, preferred an appeal before the first appellate authority and got the appeal allowed. However, the department litigated the said order before the second appellate authority namely the Income Tax Appellate Tribunal and the tribunal set aside the appeal against the commissioner’s order by sending back the file to the office of the assessing officer for fresh disposal. The Assessing Officer rejected the prayer of the company resulting in refusal to delete the said income from the originally returned income. The company, however, preferred an appeal before the Commissioner -Appeals again and in the second round also was successful in getting the direction for deletion. The department again preferred an appeal before the appellate tribunal. The appeal of the department has been dismissed by an order dated April 29, 2011. The Company has so far not received any intimation of the departments appeal against the said order.

(g) Assessment year 2004-05

Indus Finance Corporation Limited (the “company”) had converted certain investments in to stock in trade and accordingly booked the surplus arising as a result of valuation as income in the profit and loss account. The company had also sold certain shares which were bonus shares, received on earlier holdings. The Assessing Officer taxed the income booked on surplus valuation of conversion of investments into stock in trade as business income and further adopted a value of bonus shares as NIL. The company was successful in getting relief before the first appellate authority so far as the surplus valuation difference with respect to conversion of investments into stock in trade were concerned but lost the appeal with respect to bonus shares as the Commissioner- Appeals felt the value of bonus shares as NIL was correct. While the company preferred appeal before Income Tax Appellate Tribunal against the order of the Commissioner- Appeals with respect to valuation of bonus shares, the department preferred appeal before the said appellate authority against the appeal of the commissioner’s direction to delete difference on valuation of conversion of investments in to stock in trade. The department remanded the file to the desk of the first appellate authority to deal with both the issues. The company was successful in getting deletion of surplus that arose as a result of conversion of investments into stock in trade and also was successful in getting the value of bonus shares on an averaged cost basis as against NIL value claimed by the department. The department litigated the said order of the commissioner appeals before the appellate tribunal with respect to both the allowances. The appeal of the department has been dismissed by an order dated April 29, 2011.

Note: The office of the Tax Recovery Officer, Chennai has written a letter dated February 5, 2002 to Indus Finance Corporation Limited regarding tax arrears of ₹ 1,34,91,394 and has directed Indus Finance Corporation Limited to pay ₹ 1,71,20,044 including interests. Notices under Section 226(3) of the Income Tax Act, 1961 have been sent to ICICI Bank Limited, Central Bank of India, Standard Chartered Bank, Centurian Bank Limited and Andhra Bank dated September 11, 2002 directing them to pay to the income tax department ₹ 1,34,91,394 from any money which may subsequently become due to Indus Finance Corporation Limited. Notice under Section 226(3) of the Income Tax Act, 1961 has been sent to the Tamil Nadu Electricity Board, Nagercoil directing them to pay to the income tax department ₹ 4,60,44,541 from any money which may subsequently become due to Indus Finance Corporation Limited. A prohibitory order has been passed on March 31, 2010 against Indus Finance Corporation Limited prohibiting it from making any transfer of 64,21,765 shares of Indowind Energy Limited. Vide its letter dated March 15, 2011, the Office of Tax Recovery Officer, Chennai has directed updated tax arrears of ₹ 2,75,31,959 to be paid to the income tax department.

Outstanding litigations filed by Indus Finance Corporation Limited

1. Civil Cases

a) *Indus Finance Corporation Limited v/s Classic Oil Limited & Others, Suit No. 2199 of 1999 pending before the High Court of Bombay*

Vide a lease agreement dated July 29, 1993 Classic Oil Limited (“Defendant Company”) took on lease 2 boilers from Indus Finance Corporation Limited for a period of 36 months for a lease management fee of ₹ 22,000 payable on the 20th of every month and monthly lease rentals of ₹ 56,640 aggregating to a total sum of ₹ 20,39,040 for the entire term of the lease agreement. Further, a sum of ₹ 9,00,000 was paid to Indus Finance Corporation Limited as security deposit, which was to be adjusted towards outstanding rentals, due and payable under the agreement. Mr. R.K Govil and Mr. Paresch P.Somaiya, the directors of Defendant Company (“Defendant Nos. 2 and 3 respectively”) stood guarantors in respect of the above transactions *vide* deed of guarantee dated July 29, 1993. However, on account of failure on the part of the Defendant Company to pay the lease rentals for the period beginning April 20, 1996 upto September 20, 1996, Indus Finance Corporation Limited filed this suit against the Defendant Company and Defendant Nos. 2 and 3 as guarantors of Defendant Company for recovery of ₹ 9,01,825 along with interest at the rate of 36% per annum compounded with monthly rests from April 15, 1999 till the actual payment or the realization thereof and to return the equipment set out in the lease agreement. The said suit is pending before the High Court at Mumbai.

b) *Indus Finance Corporation Limited v/s Shri Parvez Damania, Suit No. 1333 of 2000 pending before the High Court of Bombay*

Indus Finance Corporation Limited has filed the above suit for recovery of ₹ 79,66,957.62 together with service charges on ₹ 30,01,000 at the rate of 36% p.a on compounding basis with monthly rests from the date of the suit till date of realization. The said suit has been filed, *inter alia*, on the ground that Mr. Parvez Damania (the “Defendant”), who is the promoter and director of Agritech Hatcheries & Foods Limited (“the company”) has failed to make payments as guarantor on account of default by the company to make lease rental payment in respect of lease of 18,750 jumbo plastic crates of a total value of ₹ 75,00,000 for a period of six month under a master lease agreement entered into between Indus Finance Corporation Limited and the company dated February 9, 1993 and for an additional lease of 33,000 jumbo plastic crates for a period of 60 months effective from March 12, 1993. The total value of the jumbo plastic crates was ₹ 1,56,75,000. The said suit is pending before the High Court at Mumbai.

Note: Indus Finance Corporation Limited has also filed a Company Application bearing No. 383 of 1997 in Company Petition No. 703 of 1996 filed by one Orissa Concrete and Allied Industries Limited in the High Court of Bombay for winding up of

Agritech Hatcheries & Foods Limited. For details regarding the same, please refer to paragraph (g) below.

- c) *Indus Finance Corporation Limited v/s Solar Farmachem Limited and Others, Suit No. 2984 of 1999 pending before the High Court of Bombay***

Vide a lease agreement dated September 2, 1993 Solar Farmachem the (“Defendant Company”) took on lease equipments known as “Agitated Thin Film Evaporator” and Boiler from Indus Finance Corporation Limited for a period of 60 months for a lease management fee of ₹ 24,000 and lease rentals. Further, to secure the due performance and observance of the terms and conditions of the said lease agreement, Mr. Harshad L. Vyas and Mr. Yogesh L. Vyas, directors of the Defendant Company (“Defendant Nos. 2 and 3 respectively”) stood guarantors in respect of the above transaction *vide* two separate deeds of guarantee dated September 2, 1993. However, the Defendant Company failed to make payment of lease rentals under the agreement. Accordingly, Indus Finance Corporation Limited filed this suit against the Defendant Company and Defendant Nos. 2 and 3 as guarantors of Defendant Company for payment of a sum of ₹ 36,57,700 along with service charges calculated at 48% p.a compounded with monthly rests from April 1, 1999 till actual payment or the realization thereof and to return the equipment set out in the lease agreement. The said suit is pending before the High Court at Mumbai.

- d) *Indus Finance Corporation Limited v/s Solar Farmachem Limited and Others, Suit No.2976 of 1999 pending before the High Court of Bombay***

Vide a lease agreement dated January 25, 1995 Indus Finance Corporation Limited leased out equipments to Solar Farmachem the (“Defendant Company”) for payment of lease rentals in installments. Further, to secure the due payment of the principal, interest and all other amounts by the Defendant Company, Mr. Harshad L. Vyas and Mr. Yogesh L. Vyas, Directors of the Defendant Company (“Defendant Nos. 2 and 3 respectively”) stood guarantors in respect of the above transaction *vide* two separate deeds of guarantee dated January 25, 1995. The Defendants did not pay the lease rentals in the manner set out in the lease agreement. Accordingly, Indus Finance Corporation Limited filed this suit on April 28, 1999 for recovery of ₹ 68,95,498 along with service charges at 48% per annum on compounding basis with monthly rests upto March 31, 1999 till actual payment or realisation thereof, from the Defendant Company Defendant Nos. 2 and 3 respectively as Guarantors. The same is pending before the High Court, Mumbai.

- e) *Indus Finance Corporation Limited v/s Duckfin International Limited and Another, Suit No.2286 of 1999 pending before the High Court, Mumbai***

Vide a lease agreement dated September 23, 1994 Indus Finance Corporation Limited leased out equipments to the Duckfin International Limited (“Defendant Company”) for payment of lease rentals in installments, and for which Mr. Deepak Kumar Bhargava (“Defendant No. 2”) stood guarantor under Deed of Guarantee dated February 25, 1995 executed in favour of Indus Finance Corporation Limited. However, on account of failure of the Defendants to perform their obligations under their respective agreements, Indus Finance Corporation Limited filed this suit on April 9, 1999 claiming specific performance of the said obligations including payment of ₹ 1,00,48,180 with further interest at 36% per annum compounded with monthly rests from March 31, 1999 till payment or realisation thereof by the Defendants. The same is pending before the High Court, Mumbai.

- f) *Indus Finance Corporation Limited v/s Salstar Foods & Beverages Limited, Company Petition No.835 of 1997 pending before High Court, Mumbai***

Indus Finance Corporation Limited filed a company petition against Salstar Foods & Beverages Limited (“Respondent Company”) initiating winding-up proceedings under section 433 and 434 of the Companies Act, 1956, *inter alia* praying that the Respondent Company being commercially insolvent, be duly wound up so that the petitioners can recover the hire charges including delayed payment charges liable to be paid by the

Respondent Company under a hire purchase agreement (“the Agreement”) dated December 15, 1994. *Vide* the agreement the Respondent Company had hired equipment from Indus Finance Corporation Limited for a lease rental which had to be paid to Indus Finance Corporation Limited in twelve quarterly installments of ₹ 5,54,972.25 each, out of which only five cheques were cleared and all the remainder cheques issued by the Respondent Company in favour of Indus Finance Corporation Limited were returned dishonoured due to non-availability of funds in the Respondent Company’s account. Subsequently, Indus Finance Corporation Limited filed this petition on October 3, 1997. The same is pending before the High Court, Mumbai.

- g) *Orissa Concrete and Allied Industries Limited v/s Agritech Hatcheries & Foods Limited wherein Indus Finance Corporation Limited has joined as an Applicant, company petition number 703 of 1996, pending before Official Liquidator, High Court of Bombay***

Orissa Concrete and Allied Industries Limited a creditor of Agritech Hatcheries & Foods Limited (“Respondent”) has filed a company petition number 703 of 1996 against the Respondent for winding up of Agritech Hatcheries & Foods Limited and for repossession of the leased assets. Mr. A.I. Munshi, the official liquidator appointed by the Mumbai High Court has called for applications from various creditors for repossessions of respective assets. Accordingly, Indus Finance Corporation Limited has filed its affidavit of proof of debt on May 19, 1999 as creditor of Agritech Hatcheries & Foods Limited with the official liquidator for repossession of assets leased to Agritech to Indus Finance Corporation Limited. The matter is still pending before the official liquidator, High Court, Mumbai.

Note: Indus Finance Corporation Limited has filed Suit No. 1333 of 2000 in the High Court of Bombay for recovery of lease rentals amounting to ₹ 79,66,957.62 from the guarantor director of Agritech Hatcheries & Foods Limited, Mr. Parvez Damania. For further details regarding the same please refer to paragraph (b) above.

- h) *Indus Finance Corporation Limited v/s. Wescare India Limited, C.S.N0: 144 of 2008 on the file of The Hon’ble High Court of Judicature Madras***

Indus Finance Corporation Limited has filed the above suit claiming a sum of ₹ 25,00,000 against Wescare India) Limited, and its directors jointly and severally towards damages and compensation for defaming its name through their letter dated August 27, 2007. The case is pending for adjudication.

- i) *Indus Finance Corporation Limited v/s Indowind Energy Limited and Anr. C.P.N0: 1382 of 2009 on the file of The Hon’ble Company Law Board, Chennai Bench***

Indus Finance Corporation Limited, has filed above company petition under Section 111A of the Companies Act against Indowind Energy Limited and ICICI Bank Limited *inter alia* to declare the transfer of 20,00,000 equity shares bearing distinctive numbers from 8439999 to 10439998 effected by it on March 30, 2004 in favour of ICICI Bank Limited is without consideration and thus void, to direct Indowind Energy Limited to rectify its register of members accordingly and also to restrain Indowind Energy Limited from issuing 8,00,000 bonus shares in favour of ICICI Bank Limited and further, grant any other incidental and consequential reliefs. It has been alleged by ICICI Bank Limited that the transfer of 20,00,000 shares of Indowind Energy Limited held by Indus Finance Corporation Limited was consideration paid towards the 6 windmills owned by Milton Plastics Limited pursuant to the lease facilities granted to Milton Plastics Limited by Bank of Madura prior to its merger with ICICI Bank Limited. Consequent to the said merger the lease exposure was transferred to ICICI Bank Limited. Since the 6 windmills were operated by Indowind Energy Limited, ICICI Bank Limited approached Indus Finance Corporation Limited requesting the latter to accept assignment of debts of Milton Plastics Limited in consideration of 20,00,000 shares of Indus Finance Corporation Limited held in Indowind Energy Limited and that once the debt is recovered the said

shares shall be retransferred to Indus Finance Corporation Limited. The said petition is pending for final hearing.

j) *Indus Finance Corporation Limited v/s ICICI Bank Limited and Anr., C.S. N0: 811 of 2010 on the file of The Hon'ble High Court of Judicature Madras*

Indus Finance Corporation Limited has filed the above civil suit against ICICI Bank Limited :- (a) Declare the plaintiff to the legal and beneficial owner of the 20,00,000 equity shares of Indowind Energy Limited bearing distinctive Nos.: 8439999 to 10439998 held by ICICI Bank Limited in DPID: IN 301348 under Folio Nos. 20002990 ever since March 30, 2004 along with all legal incidents attached thereto; (b) For a mandatory injunction directing ICICI Bank Limited to return 20,00,000 equity shares of Indowind Energy Limited bearing distinctive Nos. 8439999 to 10439998 held by the ICICI Bank Limited to the plaintiff in specie by executing necessary instrument with instruction to its depository participant to act as per the instructions of the plaintiff; and (c) Permanent injunction restraining ICICI Bank Limited or any person claiming right under them from dealing, alienating, encumbering or claiming any right under 20,00,000 equity shares of Indowind Energy Limited bearing distinctive Nos.8439999 to 10439998 held by the first defendant in DPID: IN 301348 under Folio No. 20002990. The above case is pending for hearing by the Hon'ble Court.

2. Arbitration

a) *Wescare (India) Limited (the "Applicant") v/s Indus Finance Corporation Limited and Indowind Energy Limited, O.P. No.748 of 2007 pending before the High Court of Madras*

The Applicant has filed these original applications under Section 9 of the Arbitration and Conciliation Act, 1996 invoking arbitration proceedings against Indowind Energy Limited and Indus Finance Corporation Limited on grounds of alleged breach of agreement dated February 24, 2006 entered into between Indus Finance Corporation Limited and the Applicant; allegedly *inter alia* for the purchase of certain assets of the Applicant by Indus Finance Corporation Limited for the benefit of Indowind Energy Limited for a total consideration of ₹ 98,19,00,000 (the "disputed agreement"). The Applicant alleged that due to non-performance of the obligations by Indowind Energy Limited and Indus Finance Corporation Limited, they suffered loss, in pursuance of which a legal notice dated February 23, 2007 was served upon Indowind Energy Limited and Indus Finance Corporation Limited, whereafter the applications 641 and 642 of 2007 and application 3808 and 3809 of 2007 were filed for certain reliefs under Section 9 of the Arbitration and Conciliation Act, 1996 before the High Court of Madras. *Vide* order dated May 09, 2007, the High Court passed an interim order in O.A No 641 of 2007 and Application No 3809 of 2007 to render full accounts of the proceeds of wind generation realized by the sale of 31 machines from the Applicant from March 15, 2006 till the date of the application. An interim order granting interim relief was passed in favour of the Applicant. However, as on date neither Indowind Energy Limited nor Indus Finance Corporation Limited received a copy of the order. The Applicant filed an application to modify the order dated May 09, 2007. The High Court has issued notice to Indowind Energy Limited and Indus Finance Corporation Limited in O.A No 642 of 2007 and in the Application No. 3808/07. Indowind Energy Limited has filed a counter affidavit in reply to these applications. *Vide* its order dated April 27, 2010 the Hon'ble Supreme Court of India in the civil appeal no. 3874 of 2010 has set aside the order of the High Court in regard to the claims of the Applicant against Indowind Energy Limited. The said Supreme Court order does not disturb the order made by the High Court as against Indus Finance Corporation Limited. The matter is currently pending for adjudication.

OUTSTANDING LITIGATIONS INVOLVING INDOWIND ENERGY LIMITED

Outstanding Litigations against Indowind Energy Limited

1. Income Tax Matters

(a) Assessment Year 1998-99

While disposing off the appeal of Indowind Energy Limited against the order of the Commissioner of Income Tax – Appeals, in refusing to consider the prayer for allowing depreciation claim of ₹ 47,30,000, the Income Tax Appellate Tribunal, Chennai, while granting stay against the demand of ₹ 26,54,944/- had remanded the case back to the file of the Commissioner of Income tax appeals for fresh disposal. Accordingly the case is pending for disposal before the Commissioner of Income Tax Appeals.

(b) Assessment Year 2006-07

The Assistant Commissioner of Income Tax, Company Circle - II(3), has passed an order of assessment raising a demand of ₹1,81,78,818, by making additions by an amount of ₹ 3,75,77,000. Indowind Energy Limited has preferred an appeal before the Commissioner of Income Tax – Appeals praying for deletion of ₹ 3,67,00,000. Out of the additions made by the Assessing Officer, ₹ 2,00,00,000 relates to a claim in a transaction which when claimed in the A.Y. 2004-05, has been allowed in favour of the Indowind Energy Limited in its appeal before the Income Tax Appellate Tribunal, Chennai.

(c) Assessment Year 2007-08

The Assistant Commissioner of Income Tax Company Circle - II(3), has passed an order by making certain additions resulting in demand of ₹ 55,63,470 the company has preferred an appeal against the disallowances before the Commissioner of Income Tax - Appeals.

2. Service Tax Matters

(a) Show Cause notice no. 01/2011

On January 10, 2011 the Indowind Energy Limited received a show cause notice dated January 4, 2011 issued by the Commissioner of Service Tax, Chennai, asking Indowind Energy Limited to show cause why an amount of ₹ 80,71,590 representing service tax components on (a) Banking and other financial services (b) Goods and transport agencies (c) Management, maintenance or repair services and (d) Merchant banking services should not be levied on Indowind Energy Limited. The notice further proposed to reverse CENVAT credit amounting to ₹ 34,59,042. Indowind Energy Limited has submitted a reply *vide* its letter dated March 7, 2011.

(b) Show Cause notice no. 66/2010

Indowind Energy Limited was served with another show cause notice dated December 24, 2010 which was received on January 20, 2011, issued by the Additional Director General, Directorate General of Central Excise Intelligence, Chennai, directing Indowind Energy Limited to show cause as to why service tax of ₹ 58,98,740 should not be levied towards the service tax on the services availed from Jefferies International Limited for an FCCB issue of US\$ 300 Lakhs in December 2011 should not be levied along with interest and penalty. Indowind Energy Limited has submitted a reply *vide* its letter dated June 16, 2011.

3. Civil Cases

(a) ICICI Bank Limited v/s Indowind Energy Limited & Others, Suit No. 1151 of 2010 pending before the Hon'ble Company Law Board, Chennai

ICICI Bank Limited has made investment in the equity shares of Indowind Energy Limited. Indowind Energy Limited convened an extraordinary general meeting on April 15, 2006 and approved the issue of bonus shares to its shareholders in the ratio of 2 equity shares for every 5 equity shares held in the Indowind Energy Limited. ICICI Bank

Limited then being the shareholder of the Company was entitled to the bonus shares and the consequent benefit including dividends in respect of those shares with effect from April 15, 2006. ICICI Bank Limited sought for relief before the Hon'ble Company Law Board to direct Indowind Energy Limited to allot 14,66,667 bonus equity shares in the demat account of ICICI Bank Limited and to pay off all the dividends due in respect of the 14,66,667 bonus equity shares to ICICI. Indowind Energy Limited is yet to file its counter statement. Indowind Energy Limited has filed an application to dismiss the petition filed by ICICI claiming the suit to be not maintainable. ICICI Bank Limited is has filed its counter statement and the matter is pending.

(b) *Mr. K.M. Santhanam v/s Indowind Energy Limited, O.S No. 114 of 2007 before the Subordinate Court, Vallioor*

Mr. K.M. Santhanam ("the plaintiff") had purchased the suit schedule property from Wipro Finance Limited with the intention of carrying on agriculture in the suit property. The officers of Indowind Energy Limited encroached upon the suit property and asked to sell the suit property to Indowind Energy Limited and that there are a lot of properties around the schedule property in the name of the Indowind Energy Limited. Hence, this suit was filed by the plaintiff asking for permanent injunction, restraining Indowind Energy Limited or his agents, men from in any manner disturbing the plaintiff's possession of the suit property. A petition for contempt of court has been filed by the Plaintiff (CMA No. 20 of 2009) in the Court of District Judge, Tirunelveli against Indowind Energy Limited and prayed that an interim stay be granted on the order passed in O.S 114 of 2007 dated April 20, 2009. O.S. No. 114 of 2007 is pending before the court and the next hearing is on July 11, 2011.

(c) *Thomas Muthoot and Thomas John Muthoot v/s Indowind Energy Limited O.S. No. 437 of 2005 before the Court of the Principal District Munsiff, Nagercoil.*

The above suit has been filed by Thomas Muthoot and Thomas John Muthoot (the "Plaintiffs") against Indowind Energy Limited and its whole time director, Mr. K.S Ravindranath in respect of properties purchased by the Plaintiffs *vide* a sale deed dated April 12, 2000 bearing number 272 of 2000, sale deed dated April 12, 2000 bearing number 271 of 2000 and a sale deed dated March 23, 2000 bearing number 217 of 2000, respectively (the "Agreements"), by the Agreements, Indowind Energy Limited has acquired the following properties on an ownership basis namely (a) an area admeasuring 3 acres 38 cents in Re.Sy.No.774/2; (b) an area admeasuring 2 acres 76 cents in Re.Sy.No.776; (c) an area admeasuring 1 acre 40 cents in Re.Sy.No.779/4 and (d) an area admeasuring 3 acres 62 cents in Re.Sy.No.778/1 situated at Aralvoimozhy Village, respectively. However, *vide* consent letter dated September 10, 2003 Indowind Energy Limited conveyanced 2 acres 42 cents in Re.Sy.No.774/2 and 58 cents in Re.Sy.No.778/1 aggregating to 3 acres of land out of the entire property, free of cost to the Tamil Nadu Electricity Board for the establishment of a new 110/11 KV sub-station. Pursuant to the said transfer, the Plaintiffs have filed the abovementioned suit against Indowind Energy Limited alleging their title over the 53 cents in Re.Sy.No.774/2 situated in Aralvoimozhy Village. However, Indowind Energy Limited has in its written statement denied the allegation and has claimed that the Plaintiffs property lies to the east and south of the property and the Plaintiffs consequently have no claim. Order dated December 22, 2010 has been passed by the District Munsif, Nagercoil in favour of Indowind and its Director. The Plaintiffs have preferred an appeal against the order of the District Munsif, Nagercoil and filed an Appeal Suit No. 82/2007 which has subsequently been dismissed by the Principal Subordinate Judge, Nagercoil *vide* its order dated September 4, 2008.

(d) *ICICI Bank Limited v/s Indowind Energy Limited and Others O.A. No. 131 of 2008 before the Debts Recovery Tribunal, Chennai*

ICICI Bank Limited has filed an application to recover a sum of ₹ 22,02,49,235.35 being the rental dues for the windmills leased to Indowind Energy Limited. ICICI Bank Limited sanctioned a lease finance of ten years with effect from December 08, 1997 for ₹ 900 Lakhs for the purchase of eight windmills. Indus Finance Corporation Limited has

furnished a corporate guarantee for the said lease finance. A further lease finance of ₹ 760 Lakhs was availed by Indowind Energy Limited with effect from February 24, 2000 also for a period of ten years. ICICI Bank Limited made investments of ₹ 600 Lakhs in the form of six non-convertible preference shares of ₹ 100 Lakhs each of Indowind Energy Limited and also ₹ 300 Lakhs in the form of three shares of ₹ 100 Lakhs each of Indowind Energy Limited at the coupon rate of 12% pursuant to subscription agreements dated September 29, 1997. A cumulative deposit of ₹ 243 Lakhs was made by Indowind Energy Limited of which ICICI Bank Limited has fully adjusted towards redemption of the non-convertible preference shares of ₹ 200 Lakhs. The preference share investments and the lease finance were restructured and rescheduled *vide* letter dated June 23, 2003. ICICI Bank Limited alleges that there has been a default in the repayments since the inception of the lease finance and as on November 10, 2008 a sum of ₹ 22,02,49,235.35 is due to be paid to ICICI Bank Limited. The matter is still pending before the forum.

(e) *Wescare India Limited v/s Securities and Exchange Board of India W.P. 29717 of 2007 before the High Court of Madras*

Wescare India Limited has filed a writ petition seeking a writ of mandamus directing the Securities and Exchange Board of India to initiate enquiry against Indowind Energy Limited for alleged misstatement regarding their business have been made in the Red Herring Prospectus of Indowind Energy Limited. It is alleged by Wescare India Limited that Indowind Energy Limited through its promoter Indus Finance Corporation Limited entered into an agreement dated February 24, 2006 to purchase 28 WEGs and issued 9.42 Lakhs shares to Wescare India Limited at the price of ₹ 100 per share as per the terms of the said agreement. It is alleged by Wescare India Limited that as per the terms of the said agreement, Indowind Energy Limited is prohibited from issuing equity shares to any other entity for a premium of less than ₹ 90 per share whereas in violation of the same, Indowind Energy Limited has issued bonus shares to its promoters. The writ petition is pending before the Hon'ble High Court of Madras.

(f) *Kothari Industrial Corporation Limited v/s Indowind Energy Limited and Indus Finance Corporation Limited, RCOP No. 55 of 2011 before the Small Causes Court at Chennai*

Kothari Industrial Corporation Limited (the "Plaintiff") has filed an eviction suit in the Hon'ble Small Causes Court in Chennai against Indowind Energy Limited (the "Respondent"). The Petitioner has claimed that it requires the premises to carry on its business as it does not have sufficient space for its employees. A lease deed was entered into by the Petitioner with the Respondent dated February 23, 2007 to let out the property identified as No. 114, Mahatma Gandhi Salai, 4th Floor, Kothari Building, Nungambakkam, Chennai. It was agreed therein that if Bekae Properties Private Limited demands rentals from the Respondent then the Respondent may directly pay Bekae Properties Limited. It is claimed by the Petitioner that Bekae Properties Private Limited has not received the rental amount from the Respondent. The matter is pending before the Hon'ble Small Causes Court at Chennai.

(g) *ICICI Bank Limited v/s Indowind Energy Limited and Others before the Securities and Exchange Board of India, Mumbai*

ICICI Bank Limited has filed a complaint before the Securities and Exchange Board of India against Indowind Energy Limited claiming an allotment of 14,66,666 equity shares as bonus and to initiate investigations into the affairs of Indowind Energy Limited. ICICI Bank Limited claims to hold 51,33,333 equity shares of Indowind Energy Limited against which the bonus allotment has been claimed. Indowind Energy Limited filed a reply to Securities and Exchange Board of India Limited *vide* its letter dated December 18, 2009 wherein attention is drawn to an application filed by ICICI Bank (C.P. No. 50 of 2008) alleging non-payment of dividend and allotment of bonus shares. *Vide* order dated October 21, 2009 the Company Law Board allowed C.A. No. 38 of 2008 filed by Indowind Energy Limited (in C.P. 50 of 2008) dismissing C.P. No. 50 of 2008. Indowind Energy Limited further has filed a reply to the Securities and Exchange Board of India

vide its letter dated January 11, 2010 wherein attention is drawn to an application (C.S. no. 454 of 2008) filed before the Hon'ble High Court of Madras praying for an interim injunction against ICICI Bank Limited restraining ICICI Bank Limited from demanding delivery of the said bonus shares.

Outstanding Litigations filed by Indowind Energy Limited

a) Civil Cases

a) *Indowind Energy Limited v/s Milton Plastics Limited and Soprano Holdings Company Private Limited (ANR) Suit No. 1104 of 2004 before the High Court, Bombay*

Indowind Energy Limited (the "company") has entered into an operation and maintenance contract ("O&M Contract") dated April 2, 1998 with Milton Plastics Limited (the "1st Defendant") for operating and maintaining the windmills erected at villages Belladhadi and Mallasamudra, Taluka and District Gadag, Karnataka State and generating electricity for a period of 9 years and 10 months. Pursuant to the execution of the O&M Contract, the 1st Defendant requested the company to grant Soprano Holdings Company Private Limited (the "2nd Defendant") financial assistance of ₹ 5,65,00,000 repayable over a period of 9 years and 9 months together with interest at 20% p.a. on quarterly rests *vide* a loan agreement dated April 23, 1998 which was granted by the company. Subsequently, a joint agreement dated April 24, 1998 was executed between our Company, 1st Defendant and the 2nd Defendant. Pursuant to the agreement dated April 24, 1998, the company alleges that the 1st Defendant failed and neglected to pay rent payable under the said agreement and also claims that the 2nd Defendant has become jointly and severally liable to pay the company the entire outstanding loan due amounting to ₹ 5,65,00,000 in accordance with the repayment schedule. The suit is pending before the High Court, Bombay and the amount of claim involved is ₹ 7,14,54,590.82. On March 3, 2010, summons and plaint were serviced on Milton Plastics Limited and Soprano Holdings Company Private Limited at their respective offices in the above suit. The matter is still pending.

b) *Indowind Energy Limited v/s Cicon Environment Technologies Limited and Others Case No. 4647/SS/04 of 2004 pending before the Metropolitan Magistrate's Court, Bandra*

Indowind Energy Limited (the "Company") has filed this complaint against Cicon Environment Technologies Limited, and its Directors Mr. Suhas Bhand, Mrs. Smita Bhand, Mr. L.M. Bhand and Mr. Nitin Bhand (the "Accused") under Section 138 read with Section 141 of the Negotiable Instruments Act, 1881, for dishonour of cheque for an amount of ₹ 10,000,000 for discharge of its liability under agreement dated May 21, 2003 for conducting feasibility study for the company. Bailable warrants against all the Accused had been issued and report is awaited for the same. The same is pending before the Metropolitan Magistrate's Court, Bandra.

c) *Indowind Energy Limited v/s Dena Bank, Bhopal Complaint No. 406/2004-2005 before the Banking Ombudsman, Bhopal*

Dena Bank, Bhopal (the "Applicant") has filed this review application dated February 12, 2005 against the award dated January 14, 2005 (the "Award") passed by the Honorable Banking Ombudsman, Bhopal (the "Forum") in relation to the Complaint No. 406/2004-2005 made by Indowind Energy Limited in respect of a bank guarantee for ₹ 1,00,00,000 issued by the Applicant in favour of Indowind Energy Limited as the beneficiary on behalf of Cicon Environment Technology Limited ("Cicon"). Indowind Energy Limited invoked the guarantee but the Applicant claimed that the original bank guarantee has expired and further was cancelled Indowind Energy Limited. Indowind Energy Limited asked the Applicant to furnish a copy of the cancelled guarantee, which was thereafter found not genuine. The Applicant claimed that Cicon has committed fraud in connivance with Indowind Energy Limited. The Forum in the Award directed the Applicant to pay Indowind Energy Limited a sum of ₹ 1,00,00,000 along with interest as well as a sum of ₹

50,000 towards cost incurred. The Applicant has filed the review application praying *inter alia* that the Award passed should be set aside and the review petition of the Applicant should be allowed. Indowind Energy Limited has filed its reply to the review application therein. The Deputy Governor, Reserve Bank of India *vide* its order dated July 25, 2006 remanded the matter to the Banking Ombudsman, Bhopal. The Banking Ombudsman, Bhopal is of the view that there is an element of fraud in the case which is under investigation of CBI and hence *vide* its order dated September 11, 2006 rejected the complaint of Indowind Energy Limited under clause 19(1)(b) of the Banking Ombudsman Scheme, 2002, treating the same as one without sufficient cause. Subsequently, a summary suit bearing No. 1614 of 2007 was filed on May 4, 2007 in the High Court of Bombay by Indowind Energy Limited against the Applicant and the matter is pending before the High Court of Bombay.

d) *Indowind Energy Limited v/s Chennai Vestas R.R.B. India Limited & Tamil Nadu Electricity Board (Anr.), Suit No. 563 of 2005 before the District Munsif Court, Thensaki*

The 1st schedule property is owned by the 1st defendant i.e. Chennai Vestas R.R.B. India Limited and an adjacent property, namely schedule 2 property had been purchased by the plaintiff i.e. Indowind Energy Limited on October 21, 2003. The 1st defendant had started to propagate with effect from September 01, 2005 that he also had rights over the property at schedule 2 and had therefore, started to unlawfully encroach upon schedule 2 property by starting construction over it. In this regard, a suit was filed by the plaintiff to restrain the 1st defendant from encroaching upon his land and constructing over it. After the filing of the said suit, the 1st defendant unlawfully encroached upon the schedule 2 property and installed a windmill in December 2005. Hence, this suit was filed for mandatory injunction to remove the encroachments from the suit schedule 2 property and for declaration that the suit schedule property belongs to the plaintiff. The said suit is pending before the court and the last hearing was on June 6, 2011.

e) *Indowind Energy Limited v/s Wipro Finance Private Limited & Mr. K.M. Santhanam (Anr.) Suit No. 137 of 2007 before the Court of the Subordinate Judge, Vellior*

Indowind Energy Limited (the “plaintiff”) in order to expand its business in wind energy generation was looking for prospective sellers of wind mill assets. Wescare India Limited, a company engaged in wind energy generation, had offered to sell 31 wind energy generators (WEGs) to the plaintiff. Out of the 31 WEGs, 5 WEGs were situated on the land owned by Wescare India Limited and the remaining 23 were situated on the land owned by Wipro Finance Private Limited. In order to be able to smoothly regulate and generate energy, the plaintiff sought to buy the WEGs as well as the lands on which all 31 WEGs were situated. In this regard, various sale deeds were executed between the concerned parties. Thereafter, in October 2006, the plaintiff had caused a field survey of its land purchased from Wipro Finance Private Limited, by which it came to the knowledge of the plaintiff that due to inadvertence, the suit property had been erroneously left out from the sale deed executed by Wipro Finance Private Limited on July 14, 2006, in favour of the plaintiff. The plaintiff informed about this fact to Wipro Finance Private Limited, who in turn had promised to execute another sale deed including the suit property in it.

On March 30, 2007, the plaintiff was served with an injunction petition filed by Mr. Santhanam in O.S. 114/2007 against the plaintiff, in which Mr. Santhanam claimed to have purchased the suit property from the Wipro Finance Private Limited. Hence, this suit had been filed by the plaintiff, for specific performance directing Wipro Finance Private Limited and Mr. Santhanam to execute the sale deed in respect of the schedule property in favour of the plaintiff. The said suit is pending before the court and the next hearing is on July 11, 2011.

f) *Indowind Energy Limited v/s Wescare India Limited & Wipro Finance Private Limited & Mr. K.M. Santhanam (Ors.), Suit No. 162 of 2007 before the Court of the Principal Munsif, Vallioor*

Indowind Energy Limited (the “plaintiff”) in order to expand its business in wind energy generation was looking for prospective sellers of wind mill assets. Wescare India Limited, a company engaged in wind energy generation had offered to sell 31 wind energy generators (WEGs) to the plaintiff. Out of the 31 WEGs, 5 WEGs were situated on the land owned by Wescare India Limited and the remaining 23 were situated on the land owned by Wipro Finance Private Limited. In order to be able to smoothly regulate and generate energy, the plaintiff sought to buy the WEGs as well as the lands on which all 31 WEGs were situated. In this regard, various sale deeds were executed between the concerned parties and the plaintiff was now in possession of all the land in which the 31 wind mills were situated.

The Wipro Finance Private Limited in violation of the terms of the agreement for sale sold the land to the extent of 1 acre and 35 cents in S. No. 1153/4 to the Mr. Santhanam in which the Group Control Centre (GCC) was available, without which no windmill could be operated. Mr. Santhanam filed a suit for permanent injunction against the plaintiff in O.S. No. 114 of 2007 for the relief of permanent injunction. Hence, the plaintiff filed this suit, for permanent injunction restraining the defendants, their men, agents etc., from interfering in any manner with the functioning and the maintenance of the 28 WEGs by the plaintiff company which are located in the 1st and 2nd schedule property. The said suit is pending before the court and the next hearing is on July 11, 2011.

g) *K.M. Santhanam v/s V.R. Regunathan Suit No. 40 of 2007 before the Court of the District Judge, Tiruneiveli*

Wipro Finance Private Limited and Wescare India Limited (the defendant company) owned extensive lands and had erected wind mills in and around the plaint schedule properties. Wipro Finance Private Limited sold the plaint schedule property to the plaintiff who even took possession of the same. At the time when Wipro Finance Private Limited and the defendant company were jointly operating, the defendant company erected the Group Control Centre (GCC) structure on the plain schedule property in S.F. No. 1153/4. This property was owned by Wipro Finance Limited and was purely a license granted to the defendant company. At the time of the purchase of the plaint schedule property by the plaintiff, the defendant had assured the plaintiff that they will remove and vacate the GCC planted by them. On the assurance the plaintiff purchased the property. Though the plaintiff had taken possession and was in enjoyment of the plaint schedule property, he could not improve agriculture operations in the said properties because of the heavy machineries occupied substantial portion of the plaint schedule property. Since the defendant company was not removing the GCC, the plaintiff sent various letters and reminders to the defendant company. When the plaintiff waited for a long time and still the defendant company did not remove the GCC, it became imperative for the plaintiff to file this suit for mandatory injunction directing the defendant company to remove the GCC structure.

Later *vide* E.A. 58/2007 in E.P. 34/2007 in this suit, Indowind Energy Limited, being the petitioner, prayed to the Court to pass an order for declaration that the GCC structure belongs to the petitioner as that land in which the GCC was erected was initially sold to Indowind Energy Limited by Wipro Finance Private Limited. Wescare India Limited colluded with Wipro Finance Limited and made a sale deed between Wipro Finance Limited and Mr. K. M. Santhanam with regard to the land which was initially sold to Indowind Energy Limited. The said suit is pending before the court and the next hearing is on July 25, 2011.

For more information, please refer to Indowind Energy Limited v/s M/s. Wescare India Limited & M/s. Wipro Finance Limited & Mr. K.M. Santhanam (Ors.) Suit No. 162 of 2007 before the Court of the Principal Munsif, Vallioor at (f) above.

h) *Indowind Energy Ltd. v/s ICICI Bank Limited and Others, C.S. No. 454 of 2008 (re-numbered as O.S. No. 10036 of 2010) on the file of The Hon’ble High Court of Judicature at Madras:*

Indowind Energy Limited entered into a lease finance agreement dated November 27, 1997 (the “Agreement”) with the Bank of Madura and took possession of 16 Wind Energy Generators (“WEG’s”). 8 WEG’s were situated in the state of Tamil Nadu and the others are located in the Gadag district of Karnataka. The lease for the WEGs in Tamil Nadu commenced on December 8, 1997 payable at the rate of ₹ 8.25 Lakhs per quarter and for Karnataka from April 24, 2000 payable at the rate of ₹ 34 Lakhs per half year (payable in February and August every year). ICICI Bank Limited subscribed to two kinds of shares of Indowind Energy Limited in pursuance of the Agreement, that is, (a) 3 optional convertible preference shares of ₹ 1 Crore each, and (b) 6 non-convertible redeemable preference shares of ₹ 1 Crore each. The latter were subscribed to *vide* an agreement dated September 29, 1997. Two non-convertible redeemable preference shares were redeemed by ICICI Bank Limited at an earlier date. Consequent to actions taken by the Tamil Nadu Government and the RBI, the parties restructured the rights and obligations under the Agreement. In 2004, Indowind Energy Limited in preparation for its initial public offer requested ICICI Bank Limited to convert the three fully convertible preference shares to equity shares in accordance with the rules and regulations of SEBI. The red herring prospectus of Indowind Energy Limited dated August 08, 2007 stated that the said shares had been converted at the option of ICICI Bank Limited as it had not handed over the shares to Wind Energy Development Corporation Limited as agreed *vide* their agreement dated August 29, 2007. This agreement required ICICI Bank Limited to transfer the equity shares held by it in Indowind Energy Limited to Indus Finance Corporation Limited. ICICI Bank Limited sought to alter the terms of the contract and asked Indowind Energy Limited to pay ₹ 7 Crores towards both classes of preference shares with accrued dividend. ICICI Bank Limited subsequently declared Indowind Energy Limited as willful defaulters. Further, ICICI Bank Limited also claimed that they were entitled to retain equity shares instead of preference shares. The matter was transferred to the Additional City Civil Court, Chennai due to its enhancement of the pecuniary jurisdiction. The matter is now re-numbered as O.S. No. 10036 of 2010 and is pending hearing before the Additional City Civil Court, Chennai.

i) *Indowind Energy Limited v/s Suzlon Energy Limited and Others O.A. No. 1196 of 2010 in the Hon’ble High Court of Judicature at Madras:*

Indowind Energy Limited (the “Plaintiff”) has filed a suit against Suzlon Energy Limited (the “Respondent”) by virtue of an memorandum of understanding dated January 24, 2008 to execute an 18 MW project through commissioning of 12 windmills in the state of Karnataka. The total cost of the project was ₹ 108.60 Crores. Accordingly, it was agreed that the Respondent would work alongwith the Petitioner for raising funds to the extent of 80% of the cost of the project. The Petitioner secured a loan of ₹ 76 Crores from the Indian Renewable Development Agency (“IREDA”). The Plaintiff alleges that the Respondent failed to sign the requisite operations and maintenance agreements and to obtain the permanent power evacuation facility resulting in generation losses to the Plaintiff. The Plaintiff has prayed for an interim injunction restraining the Respondent from preventing the operation and maintenance of the 12 windmills and to direct the Respondent to deliver the signed operation and maintenance agreements.

j) *Indowind Energy Limited v/s K.M. Santhanam and Others, SLP No. 32412-32413 of 2010 before the Hon’ble Supreme Court of India:*

Indowind Energy Limited has filed a special leave petition against the common final order dated April 13, 2010 passed in C.M.A (MD) No. 1467 of 2008 and C.M.A. (MD) No. 980 of 2009 by the Madurai Bench of the Madras High Court allowing the appeal preferred by K.M. Santhanam and setting aside the order passed by the Principal District Judge, Tirunelveli. K.M. Santhanam filed a suit in O.S. 40 of 2007 before the Principal District Judge, Tirunelveli to get the group control centre structure removed from the property as mentioned in the schedule to the plaint. The same was removed through court on November 17, 2007. Indowind Energy Limited filed an application (E.A. No. 58 of 2007) claiming right over the group control centre and its reinstatement which was allowed. The Hon’ble Madurai Bench of the High Court of Madras set aside the order

made in E.A. 58 of 2007. Indowind Energy Limited has filed a special leave petition before the Hon'ble Supreme Court of India against the order of the Madurai Bench of the High Court of Madras. The respondents have filed a counter affidavit. The matter is pending before the Hon'ble Supreme Court of India.

k) *Indowind Energy Limited v/s Wipro Finance Private Limited C.S. No. 588 of 2009 before the Hon'ble High Court of Madras:*

Indowind Energy Limited (the "Plaintiff") alleges that Wipro Finance Private Limited (the "Defendant") having received the payments of ₹ 2,00,00,000 as was obligatory *vide* an understanding and letter dated December 22, 2007, the Defendant did not deliver invoice and delivery challans. The Plaintiff further made payments of ₹ 25,00,000. It was alleged by the Plaintiff that the Defendant failed to deliver the list of materials, invoice and delivery challans of the goods. The Plaintiff has prayed for an injunction directing the Defendant to deliver the goods as specified in the schedule to the understanding. In the light of the enhancement of the pecuniary jurisdiction of the Fast Track Court, Chennai the matter has been re-numbered as O.S. 7880 of 2010. The Plaintiff filed an application to amend the plaint to direct the Defendant to refund ₹ 4,03,87,500 together with interest at the rate of 18% per annum. The said amendment has been allowed by the court. The next date of hearing is July 15, 2011.

OUTSTANDING LITIGATIONS INVOLVING INDONET GLOBAL LIMITED

Outstanding litigations against Indonet Global Limited

1. Income Tax Matters

Assessment Year 2000-01

For the AY 2000-01, the Indonet Global Limited ("Limited") has filed an appeal before the Commissioner of Income Tax, Appeals – III, Chennai against the order of the Assistant Commissioner of Income Tax, Company Circle II (3), Chennai dated May 29, 2007 imposing a penalty of ₹ 1,00,000 on the company under section 271(B) of the IT Act.

OUTSTANDING LITIGATIONS INVOLVING BEKAE PROPERTIES LIMITED

Outstanding Litigations filed by Bekae Properties Limited

1. Civil Cases

(a) *Bekae Properties Private Limited v/s Kothari Industrial Corporation Limited C.S. No. 468 of 2011 before the High Court of Madras:*

Bekae Properties Private Limited has filed a suit against Kothari Industrial Corporation Limited (the "Defendant") to recover a sum of ₹ 25,08,18,836.62 by virtue of the Deed of Assignment dated November 08, 2006 executed by HDFC Bank assigning the debt of the Defendant in the favour of Bekae Properties Private Limited. Bekae Properties Private Limited has prayed for the court to order Kothari Industrial Corporation to pay the said sum of ₹ 25,08,18,836.62 alongwith interest of 22% per annum with quarterly rests. The Hon'ble High Court of Madras has ordered notice to the parties in the said matter and the matter is posted for hearing on July 12, 2011.

(b) *B.S. Kothari and Others v/s P.D. Kothari, Kothari Industrial Corporation Limited and Bekae Properties Private Limited, C.S. No. 65 of 2008 before the High Court of Madras:*

Kothari Industrial Corporation Limited had availed financial assistance from various banks and financial institutions. According to the Deed of Assignment dated November 08, 2006 executed by HDFC Bank assigning the debt of Kothari Industrial Corporation Limited, first charge was created over the property of Kothari Industrial Corporation

Limited. B.S. Kothari entered into memorandum of understandings dated March 05, 2000 and November 29, 2001 wherein the property so assigned under the Deed of Assignment dated November 08, 2006 is a subject matter. In order to protect their interests, Bekae Properties Private Limited has impleaded itself in the said suit.

OUTSTANDING LITIGATIONS INVOLVING INDOWIND CHITRADURGA PROJECT 1 LLP

Outstanding Litigations against Indowind Chirtradurga Project 1 LLP

1. Show Cause Notices

(a) Show Cause notice No. ROC/Chennai/LLPIN/ AAA- 0054/2011:

Indowind Chitradurga Project 1 LLP (“Indowind LLP”) received a show cause notice from the Registrar of Companies, Chennai dated June 10, 2011 for not complying with Section 34 of the Limited Liability Partnership Act, 2008 (“LLP Act”) which requires that every LLP shall file “statement of account & solvency” within 30 days from the end of the sixth month of its financial year. Also, as per Section 35 of the LLP Act, every LLP shall file an “annual return” within sixty days of the closure of its financial year. The same has not been complied with by the Indowind LLP till date. Indowind LLP, *vide* its letter dated July 08, 2011 has informed the Registrar of Companies, Chennai about its intention to wind up the operations since it has neither commenced any business nor has any intention to carrying out any business in the future. Indowind LLP is in the process of appointing a consultant to take appropriate steps to wind-up Indowind LLP.

AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS

Based on the information available with our Company, there are no suppliers to our Company who are registered under the Micro, Small Scale and Medium Enterprises Development Act, 2006 as at March 31, 2011. Further, there are no Creditors as on March 31, 2011 having balance of more than ₹ 1,00,000/- and pending for more than 30 days.

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, our Company can undertake this Issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake this Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus. For further details in connection with the regulatory and legal framework within which we operate, please refer to the Chapter titled “Regulations and Policies” beginning on page 109.

APPROVALS IN RELATION TO OUR COMPANY’S INCORPORATION

1. Certificate of Incorporation dated April 23, 1982 granted to our Company then known as Siga Pharma Labs Private, by the RoC.
2. Certificate of Incorporation consequent on change of name dated November 29, 1985 granted to our Company, for changing its name from Siga Pharma Labs Private to Loyal Super Remedies Limited.
3. Certificate of Incorporation consequent on change of name dated January 24, 2002 granted to our Company, for changing its name from Loyal Super Remedies Limited to MSKV Remedies Limited.
4. Certificate of Incorporation consequent on change of name dated May 22, 2008 granted to our Company, for changing its name from MSKV Remedies Limited to Ind Eco Ventures Limited.

APPROVALS RELATED TO THIS ISSUE

1. In-principle approval from the NSE dated [●].
2. In-principle approval from the BSE dated [●].
3. Resolution of the Board of Directors dated June 03, 2011 authorizing this Issue.
4. Resolution of the shareholders dated June 29, 2011 authorizing this Issue.

TAX RELATED APPROVALS

1. Permanent Account Number (PAN) being AAACL6460C granted by the Income Tax Department, GoI, to our Company, dated September 25, 2008.
2. Tax Deduction Account Number (TAN) being CHEL00146G granted by the Income Tax Department, GoI, to our Company, then known as Loyal Super Remedies, dated June 4, 1992 and amended on October 8, 2009 issued in the name of our Company.
3. Certificate of Registration under Tamil Nadu Value Added Tax Act, 2006 for Tax Identification Number (TIN) being 33200461750 granted by the Assistant Commissioner (Registration), Nungambakkam Assessment Circle, Chennai to our Company, dated September 17, 2008.
4. Certificate of Registration under the Central Sales Tax Act, 1956 for Tax Identification Number (CST) being 871455 granted by the Assistant Commissioner (Registration), Nungambakkam Assessment Circle, Chennai to our Company, dated September 17, 2008.
5. Profession Tax (PTNAN) being 1101 granted by the Assistant Revenue Officer, Corporation of Chennai to our Company, dated July 20, 2010.

BUSINESS RELATED APPROVAL

1. Commissioning Certificate, Lr. No: SE/TEDC/TIN/AEE/DVT/AE.2/F.WEG HT.SC.2046/R.4910/06, for two 250 KW capacities WEG of Titan Industries Limited, commissioned on September 28, 2006 and tied up with TNEB HKV Grid, dated October 10, 2006.
2. Commissioning Certificate, Lr. No: SE/TEDC/TIN/AEE/DVT/AE.2/F.WEG HT.SC.2047/R.4909/06, for one 250 KW capacities WEG of Titan Industries Limited, commissioned on September 28, 2006 and tied up with TNEB 11 KV Grid, dated October 10, 2006.
3. Commissioning Certificate, Lr. No: AEE/D/BOOTHAPANDY/FD/D 094/95. WEG HT.SC.155, for two 250 KW capacities WEG in the name of The Sri Ganapathy Mills Co. Limited, commissioned on September 30, 1995, dated October 10, 2006.
4. Commissioning Certificate, Lr. No: AEE/DVT/AE1/F.HTSC377/R.No.4355/2000, for two 250 KW capacities WEG of Indus Foods Private Limited (formerly known as SGM Windfarms Limited), commissioned on September 30, 2000, dated October 13, 2000.
5. Commissioning Certificate, Lr. No: SE/TEDC/TIN/AEE/DVT/AE.1/F.WEG HT.SC.1032/D.5923/04, for one 750 KW capacities WEG of Vishal Export Overseas Limited, commissioned on September 29, 2004 and tied up with TNEB 33 KV Grid, dated October 26, 2004.
6. Commissioning Certificate, Lr. No: SE/TEDC/TIN/AEE/DVT/AE.1/F.WEG HT.SC.1033/D.5922/04, for one 750 KW capacities WEG of Vishal Export Overseas Limited, commissioned on September 29, 2004 and tied up with TNEB 33 KV Grid, dated October 26, 2004.
7. Commissioning Certificate, Lr. No: SE/TEDC/TIN/AEE/DVT/AE.1/F.WEG HT.SC.1212/R.2951/05, for two 250 KW capacities WEG of Abi Showatech (India) Limited, commissioned on March 29, 2005 and tied up with TNEB 11 KV Grid, dated May 25, 2005.
8. Commissioning Certificate, Lr. No: SE/TEDC/TIN/AEE/DVT/AE.1/F.WEG HT.SC.1213/R.2950/05, for two 250 KW capacities WEG of Turbo Energy Limited, commissioned on March 29, 2005 and tied up with TNEB 33 KV Grid, dated May 25, 2005.
9. Commissioning Certificate, Lr. No: SE/TEDC/TIN/AEE/DVT/AE.1/F.WEG HT.SC.1329/R.4594/05, for one 750 KW capacities WEG of Vishal Plastomer Private Limited, commissioned on July 16, 2005 and tied up with TNEB 33 KV Grid, dated October 25, 2005.
10. Commissioning Certificate, Lr. No: SE/TEDC/TIN/AEE/DVT/AE.1/F.WEG HT.SC.1330/R.4595/05, for one 750 KW capacities WEG of Vishal Plastomer Private Limited, commissioned on July 16, 2005 and tied up with TNEB 33 KV Grid, dated October 25, 2005.
11. Commissioning Certificate, Lr. No: SE/TEDC/TIN/AEE/DVT/AE.1/F.WEG HT.SC.1331/R.4596/05, for one 750 KW capacities WEG of Vishal Plastomer Private Limited, commissioned on July 16, 2005 and tied up with TNEB 33 KV Grid, dated October 25, 2005.
12. Commissioning Certificate, Lr. No: SE/TEDC/TIN/AEE/DVT/AE.1/F.WEG HT.SC.1332/R.4597/05, for one 750 KW capacities WEG of Vishal Plastomer Private Limited, commissioned on July 16, 2005 and tied up with TNEB 33 KV Grid, dated October 25, 2005.

13. Commissioning Certificate, Lr. No: SE/TIN/AEE/DVT/AE.2/F.WEG HT.SC.1825/R.2139/06, for one 250 KW capacities WEG of Indowind Energy Limited, commissioned on March 31, 2006 and tied up with TNEB 11 KV Grid, dated May 13, 2006.
14. Commissioning Certificate, Lr. No: SE/TIN/AEE/DVT/AE.2/F.WEG HT.SC.1900/R.2141/06, for one 250 KW capacities WEG of Indowind Energy Limited, commissioned on April 10, 2006 and tied up with TNEB 11 KV Grid, dated May 13, 2006.
15. Commissioning Certificate No: FF (E)/SRS/CTA/08-09/74-84, for five 1.5 MW capacities WEG of Indowind Energy Limited, commissioned on March 28, 2009 and interconnecting the wind farm with KPTCL grid at 220/66 KV Receiving station, dated April 13, 2009.
16. Commissioning Certificate, Lr. No: SE/TEDC/TIN/AEE/DVT/AE.2/F.WEG HT.SC.2032/R.4912/06, for two 250 KW capacities WEG of Indonet Global Limited, commissioned on September 28, 2006 and tied up with TNEB 11 KV Grid, dated October 26, 2006.
17. Commissioning Certificate, Lr. No: DM/FHTSC 335, 336/D/26/96 dated April 8, 1996, for two 225 KW capacities WEG of Indowind Energy Limited, commissioned on March 31, 1996.
18. Commissioning Certificate, Lr. No: DM/ FHTSC 279 & 290/ D-326 dated October 6, 1995, for two 225 KW capacities WEG of Ganpathy Mills Company Limited, commissioned on September 30, 1995.
19. Commissioning Certificate No: EE/D/Ng1/JE/IEE/F.Win HTSC No. /S. No. 6910/95 dated May 6, 1995, for one 250 KW capacities WEG of Ganpathy Mills Company Limited, commissioned on March 31, 1995.
20. Commissioning Certificate for two 250 KW capacities WEG of Arul Marriaman Textiles Limited commissioned on September 24, 1997
21. Certificate of Registration accepting the 'Expression of Interest' for investment of ₹ 200 crore in the State of Gujarat to set up a 10MW Solar Power Generation Plant, dated January 13, 2011.

APPROVALS APPLIED FOR BUT NOT YET RECEIVED

As on the date of this Draft Red Herring Prospectus, our Company has not made any applications which are pending approval.

SECTION-VII - OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors have, pursuant to a resolution passed at its meeting held on June 03, 2011 authorised the Issue, subject to the approval of the shareholders of our Company under Section 81 (1A) of the Companies Act.

The Issue of Class I Equity Shares has been authorized by a special resolution adopted pursuant to Section 81(1A) of the Companies Act, 1956 at the Extra-ordinary General Meeting of shareholders held on June 29, 2011.

We have also obtained all necessary contractual approvals required for this Issue. For further details, please refer Chapter titled “*Government and Other Approvals*” beginning on page 224 of this Draft Red Herring Prospectus.

Prohibition by SEBI

Our Company, our Directors, our Promoters, Promoter Group, other companies promoted by our Promoters and companies with which our Directors are associated as directors have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. Further, our Company, our Promoters or their relatives and other companies promoted by our Promoters have confirmed that they have not been detained as willful defaulters by the RBI or any other government authority and there are no violations of securities laws committed by them in the past or are pending against them. Entities of our Promoter Group do not appear on the RBI defaulter list, nor are there any violations of securities laws committed by them in the past or pending against them. Our Directors do not appear on the RBI defaulter list, nor are there any violations of securities laws committed by them in the past or pending against them.

ELIGIBILITY FOR THIS ISSUE

Authority for the Issue

The Board of Directors have, pursuant to a resolution passed at its meeting held on June 03, 2011 authorised the Issue, subject to the approval of the shareholders of our Company under Section 81 (1A) of the Companies Act.

The Issue of Class I Equity Shares has been authorized by a special resolution adopted pursuant to Section 81(1A) of the Companies Act, 1956 at the Extra-ordinary General Meeting of shareholders held on June 29, 2011.

The Bombay Stock Exchange Limited and the National Stock Exchange of India Limited have given in-principle approvals for the Issue pursuant to letters dated [●] and [●] respectively. [●] is the Designated Stock Exchange.

We have also obtained all necessary contractual approvals required for this Issue. For further details, please refer Chapter titled “*Government and Other Approvals*” beginning on page 224 of this Draft Red Herring Prospectus.

Prohibition by SEBI, RBI or Governmental authority

Our Company, our Directors, our Promoters, other companies promoted by our Promoters, Promoter Group, Group entities or the person(s) in control of our Company and companies with which our Directors are associated as directors have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or the RBI or any other Regulatory or governmental authority. Further, our Company, our Promoters or their relatives and other companies promoted by our Promoters have confirmed that they have not been detained as willful defaulters by the RBI or any other government authority and there are no violations of securities laws committed by them in the past or are pending against them. Entities of our Promoter Group do not appear on the RBI defaulter list, nor are there any violations of securities

laws committed by them in the past or pending against them. Our Directors do not appear on the RBI defaulter list, nor are there any violations of securities laws committed by them in the past or pending against them.

ELIGIBILITY FOR THIS ISSUE

Our Company is an ‘unlisted issuer’ in terms of the SEBI ICDR Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI ICDR Regulations. Our Company is eligible for the make the Issue in accordance with clause (1) of Regulation 26 of the SEBI ICDR Regulations as explained hereunder. The conditions prescribed under clause (1) of Regulation 26 of the SEBI (ICDR) Regulations, 2009 are as follows:

- The Company has net tangible assets of at least ₹ 3 crores in each of the preceding 3 full years (of 12 months each), of which not more than 50% is held in monetary assets: Provided that if more than 50% of the net tangible assets are held in monetary assets, the Issuer has made firm commitments to utilise such excess monetary assets in its business or project;
- The company has a track record of distributable profits in terms of Section 205 of the Companies Act, 1956, for at least three (3) out of immediately preceding five (5) years; Provided further that extraordinary items shall not be considered for calculating distributable profits in terms of Section 205 of Companies Act, 1956;
- The Company has a net worth of at least ₹ 1 crore in each of the preceding three full years (of twelve months each);
- The aggregate of the proposed issue and all previous issues made in the same financial year in terms of issue size does not exceed five times its pre-issue net worth as per the audited balance sheet of the preceding financial year; and
- The company has changed its name within the last one year, at least 50% of the revenue for the preceding 1 full year is earned by the company from the activity suggested by the new name.

The net tangible assets, monetary assets, net profits and net worth as derived from the financial statements (restated), included in this Draft Red Herring Prospectus under the section titled “*Financial Statements*” as at, and for the last five years ended March 31, 2011 as per our Statutory Auditors Certificate dated July 06, 2011 is set forth below:

(₹ in Lakhs)					
Particulars	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Net tangible assets	2,328.50	2,098.85	947.10	299.78	274.72
Monetary assets	39.35	24.02	52.76	20.04	11.27
Monetary assets as a % of net tangible assets.	1.69	1.14	5.57	6.68	4.10
Distributable profit after tax excluding extra ordinary item.	92.28	150.26	43.53	7.10	5.32
Networth	2401.95	2149.43	922.28	299.78	274.72

Notes:

- Net tangible assets is defined as the sum of fixed assets (including capital work-in-progress and excluding revaluation reserves, if any), investments, current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities and long term liabilities but excludes intangible assets as defined in AS 26 issued by ICAI*
- Monetary Assets include cash on hand and bank balances.*

- c) *Distributable profit has been defined in terms of Section 205 of the Companies Act, 1956.*
- d) *Net worth” means the aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account*

Further, in accordance with sub-regulation (4) of Regulation 26 of the SEBI ICDR Regulations, we shall ensure that the number of prospective allottees i.e. persons to whom the Class I Equity Shares will be allotted in the Issue shall not be less than 1,000 failing which the entire application monies will be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

DISCLAIMER CLAUSE OF SEBI

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

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, SAFFRON CAPITAL ADVISORS PRIVATE LIMITED, ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, SAFFRON CAPITAL ADVISORS PRIVATE LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JULY 12, 2011 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, CIVIL CASES, INTELLECTUAL PROPERTY DISPUTES, DISPUTE WITH COLLABORATORS, CRIMINAL CASES, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THIS DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**
 - a) THIS DRAFT RED HERRING PROSPECTUS FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
 - b) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED / ISSUED BY SEBI,**

THE CENTRAL GOVERNMENT, AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

- c) THE DISCLOSURES MADE IN THIS DRAFT RED HERRING 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 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 THIS DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE.**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THIS DRAFT RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS DRAFT RED HERRING 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 EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS.**
- 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. - NOTED FOR COMPLIANCE.**
- 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**
- 9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF**

SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THIS DRAFT RED HERRING PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE.

- 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE - NOT APPLICABLE**
- 11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**
- 12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS:**
 - (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND**
 - (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.**
- 13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.**
- 14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.**
- 15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THIS DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**
- 16. THE FILING OF THE OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.**

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

Disclaimer Statement from our Company and the BRLM

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

Caution

The BRLM accepts no responsibility, save to the limited extent as provided in the Underwriting Agreement to be entered into between the Underwriter and our Company and the Memorandum of Understanding between the BRLM and our Company.

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

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

Neither our Company nor the BRLM or any Syndicate Member is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

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

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 4A of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of ₹ 250 million, pension funds with minimum corpus of ₹ 250 million and the National Investment Fund, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. this Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring 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 Chennai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements

applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Class I Equity Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “Securities Act”), and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Class I Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

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

Further, each Bidder where required agrees that such Bidder will not sell or transfer any Class I Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Class I Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Disclaimer Clause of the Bombay Stock Exchange Limited

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

Disclaimer Clause of the National Stock Exchange of India Limited

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

Disclaimer Clause of the IPO Grading Agency

[•]

Filing

A copy of this Draft Red Herring Prospectus has been filed with the Corporation Finance Department of SEBI at SEBI Bhavan, Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051. A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered to the RoC for registration at least 3 (three) days before the Bid / Issue Opening Date at the address mentioned below.

Registrar of Companies Chennai, Tamil Nadu

Block No.6, B Wing 2nd Floor
Shastri Bhawan 26,
Haddows Road,
Chennai – 600034
Tamil Nadu

Listing

The Class I Equity Shares issued through this Draft Red Herring Prospectus are proposed to be listed on BSE and NSE. In-principle approvals for listing of the Class I Equity Shares of our Company from BSE and NSE have been received *vide* their letters dated [•] and [•] respectively.

[●] will be the Designated Stock Exchange with which the basis of allotment will be finalized.

If the permission to deal in and for an official quotation of our Class I Equity Shares is not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all money received from the Bidders in pursuance of the Red Herring Prospectus. If such money is not repaid within eight days after our Company becomes liable to repay it. (*i.e.* from the date of refusal or within 15 days from the Bid/Issue Closing date, whichever is earlier), then our Company, and every Director of our Company who is an officer in default shall, on and from such expiry of eight days, be jointly and severally liable to repay the money with interest at the rate of 15% per annum on the Bid Amount, as prescribed under Section 73 of Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 12 Working Days from the Issue closure.

Impersonation

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

“Any person who:

- a. makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or***
- b. otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,***

shall be punishable with imprisonment for a term which may extend to five years.”

Consents

Consents in writing of: our Directors; our Company Secretary, Chief Financial Officer, and Compliance Officer; our Auditors; Bankers to our Company; Escrow Collection Bank(s)*; Refund Bank(s)*; Syndicate Members*; IPO Grading Agency; BRLM; the Registrar and the legal advisors to this Issue, to act in their respective capacities, have been obtained and will be filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 60 and Section 60B of the Companies Act and such consents have not been withdrawn up to the time of filing of this Draft Red Herring Prospectus with SEBI.

**The aforesaid will be appointed prior to filing of the Red Herring Prospectus with RoC and their consents as above would be obtained prior to the filing of the Red Herring Prospectus with RoC.*

In accordance with the Companies Act and SEBI Regulations, V. Ramaratnam & Co., our Independent Auditors, have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Red Herring Prospectus and such consent and report has not been withdrawn up to the time of filing of this Draft Red Herring Prospectus with SEBI.

S. Vasudevan & Associates, our statutory auditors, have given their written consent to the report on possible tax benefits accruing to our Company and its members in the form and context in which it appears in this Draft Red Herring Prospectus and has not withdrawn such consent up to the time of filing of this Draft Red Herring Prospectus with SEBI.

ICRA Limited, a SEBI registered IPO Grading Agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, has given its written consent *vide* their letter dated July 11, 2011 as experts to the inclusion of their report in the form and context in which they will appear in the Red Herring Prospectus and such consents and reports will not be withdrawn up to the time of filing of this Draft Red Herring Prospectus with SEBI.

Expert Opinion

Except the report of ICRA Limited in respect of the IPO grading of the Issue as mentioned in the Chapter titled “General Information” beginning on page 43 of this Draft Red Herring Prospectus, report of J. Suresh (Chartered Civil Engineer and Approved Valuer) dated June 15, 2011 for valuation of wind mills and except for the reports of the auditors of our company, S. Vasudevan & Associates. in respect of the information contained in Chapters “Financial Statements” and “Statement of Tax benefit” beginning on pages 165 and 76 respectively, we have not obtained any expert opinions.

Public Issue Expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] Lakhs. The expenses of the Issue include, among others, underwriting and management fees, SCSB’s commission/ fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. All expenses with respect to the Issue would be paid by our Company. The estimated issue expenses are as under:

(₹ in Lakhs)				
Sr. No.	Description	Estimated expense*	% of Total Expenses*	% of Total Issue Size*
1	Fees for the BRLM	[●]	[●]	[●]
2	Fees for the Registrar to the Issue	[●]	[●]	[●]
3	Regulatory fees (including fee payable to SEBI, Stock Exchanges, etc.)	[●]	[●]	[●]
4	Fees payable to the Legal Advisor	[●]	[●]	[●]
5	Fees payable to the Auditor	[●]	[●]	[●]
6	Fees payable to IPO Grading Agency	[●]	[●]	[●]
7	Marketing fee (including fee payable to advertising agencies)	[●]	[●]	[●]
8	Miscellaneous expenses	[●]	[●]	[●]
Total estimated Issue Expenses		[●]	[●]	[●]

*will be incorporated after finalisation of the Issue Price

Details of Fees Payable

Fees Payable to the Book Running Lead Manager

The total fees payable to the Book Running Lead Manager will be as per the Issue Agreement dated July 04, 2011 executed between our Company and Saffron Capital Advisors Private Limited, the copy of which is available for inspection at our Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar to the Issue dated October 18, 2010, a copy of which is available for inspection at our Registered Office.

IPO Grading

The Issue has been graded by ICRA Limited, as [●], indicating [●] fundamentals. The rationale/description furnished by the IPO grading agency will be updated at the time of filing the Red Herring Prospectus with the RoC and will be made available for inspection at our Registered Office from 10 a.m. to 4 p.m. on working days during the Bid/Issue Period.

Fees Payable to Others

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

Underwriting Commission, Brokerage and Selling Commission on Previous Issues

The underwriting commission and selling commission for this Issue is as set out in the Syndicate Agreement to be entered into between our Company and the BRLM. The underwriting commission shall be paid as set out in the Underwriting Agreement to be entered into based on the Issue Price and amount underwritten in the manner mentioned in the Prospectus. Payment of underwriting commission, brokerage and selling commission would be in accordance with applicable laws.

Previous Rights and Public Issues during the Last Five Years

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

Previous Issues of Shares otherwise than for Cash

Except as stated in the Chapter titled “*Capital Structure*” beginning on page 52 of this Draft Red Herring Prospectus, our Company has not issued any Class I Equity Shares for consideration otherwise than for cash.

Commission and Brokerage on Previous Issues

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

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

None of our listed group companies have made any capital issue during the last three years immediately preceeding the date of filing this Draft Red Herring Prospectus

Promise versus performance for our Company

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

Promise versus Performance – Previous Issues of Group Companies.

Indowind Energy Limited

The company made its maiden public issue of 1,25,00,000 equity shares of ₹ 10 each for cash at price of ₹ 65 per equity share aggregating ₹ 7,956 Lakhs in September 2007. The equity shares of the company are listed on BSE and the NSE.

Following are the details of Promise versus Performance:

- Funds Raised**

Project	As stated in offer document	Actual Funds utilized
Setting up 9MW Wind Farm Project in Chitradurga, Karnataka	4950.00	* 1,900
Purchase of Hydraulic cranes	650.00	\$ --
Acquisition of second hand WEGs from Banks	2000.00	2,695

Foreclosure of lease with ICIC Bank Limited and Axis Bank Limited (formerly known as UTI Bank Limited)	1826.20	\$ 1,081
Additional Working capital requirements	262.28	@ 1049
Contingencies	65.00	
1.8 MW Wind Project	--	
Issue expenses(actuals)	610	610
Total	10,363.48	# 7,335

Since the issue was not completely subscribed, the actual issue proceeds received were less than the issue size.

* The estimated cost of Chitradurga project was ₹ 4950 Lakhs but actual cost was ₹ 5360 lac.s The company availed a loan of ₹ 3460 Lakhs from IREDA & hence utilized only ₹ 1900 Lakhs for the project.

\$ In view of the deficit in funds raised, the acquisition of cranes which was considered a non-core activity by the management was cancelled and settlement of UTI Bank Lease was deferred.

@ The balance amount alongwith the amount earmarked for Working Capital was utilized to complete 1.8 MW project for ₹ 1049 Lakhs.

• **Schedule of Implementation**

Activities	Windfarms at Chitradurga		Hydraulic Cranes		Acquiring windfarms from Banks		Foreclosure of Lease	
	Commencement	Completion	Commencement	Completion	Commencement	Completion	Commencement	Completion
As per the Offer Document								
Acquisition of Land	Completed		---		----		----	
Civil Construction	Sep-07	Nov-07						
Electrical work & utilities	Oct-07	Jan-08						
Placement of orders for machinery	Sep-07	Nov-07	Sep-07	Oct-07	Sep-07	Oct-07	Sep-07	Oct-07
Arrival of machinery	Nov-07	Dec-07	Dec-07	Dec-07	Nov-07	Nov-07	Dec-07	Dec-07
Erection and commissioning of Machinery	Dec-07	Jan-08						
Generation of Energy	Feb-08				Dec-07		Oct-07	

Actuals	Windfarms at Chitradurga	Hydraulic Cranes	Acquiring windfarms from Banks	Foreclosure of Lease
	The Project was completed & commissioned by SUZLON on 31st March 2008 & power generation started from the same day. The delay of 1 month is not significant as the season for wind starts only during month of April	Not Implemented - Due to deficit in funds raised the acquisition of cranes which was considered a non-core activity by the management hence cancelled	Acquisition of wind farms has been completed in phases from November 2007 to October 2008. The reason for the delay is due to negotiation with the banks to obtain their approvals.	Deposited the amount raised towards ICICI Bank Settlement in court on May 2008 due to the dispute

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

As on the date of filing this Draft Red Herring Prospectus with SEBI, our Company has no outstanding debentures, bonds or redeemable preference shares.

Option to Subscribe

Class I Equity Shares being offered through this Draft Red Herring Prospectus can be applied for in dematerialized form only.

Stock Market Data for our Equity Shares

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

Mechanism for Redressal of Investor Grievances

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

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

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

Disposal of Investor Grievances by our Company

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances. We estimate that the average time required by us or the Registrar to this Issue for the redressal of routine investor grievances will be 15 days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have constituted the Investors Grievance Committee of the Board *vide* resolution passed at the Board Meeting held on November 12, 2010. For further details, please refer to the Chapter titled “*Our Management*” beginning on page 129 of this Draft Red Herring Prospectus.

Our Company has appointed Mr. K.K. Dinakar as the Compliance Officer and he may be contacted at the following address. :

4th Floor, Kothari Buildings,
114 Nungambakkam High Road,
Chennai – 600 034, Tamil Nadu.
Tel: +91 44 2833 0867/ 2833 1310
Fax: +91 44 2833 0208
Email: dinakar@eco.ind.in
Website: www.eco.ind.in

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

Mechanism for Redressal of Investor Grievances- Listed Group Companies

1. Indowind Energy Limited

Status of Complaints

- (a) No. of shareholders complaints outstanding as of March 31, 2011: NIL
- (b) Total number of complaints received during the period from December, 2010 to March 31, 2011: NIL
- (c) Status of the complaints: NIL
- (d) Time normally taken for disposal of various types of investor grievances: 3 days

2. Indus Finance Corporation Limited

Status of Complaints

- (a) No. of shareholders complaints outstanding as of March 31, 2011: NIL
- (b) Total number of complaints received during the period from December, 2010 to March 31, 2011: NIL
- (c) Status of the complaints: NIL
- (d) Time normally taken for disposal of various types of investor grievances: 3 days

Changes in Auditors during the last three financial years and reasons therefore

There have been no changes in the Statutory Auditors of our Company during the last three financial years.

Capitalisation of Reserves or Profits

Save and except as stated in the Chapter titled “*Capital Structure*” beginning on page 52 of this Draft Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

Revaluation of assets

Our Company has not revalued its assets since incorporation.

SECTION VIII – ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The present Issue comprising of [●] Class I Equity Shares of ₹ 10 each aggregating ₹ 10,500 Lakhs is being made through the 100% Book Building process. The Issue shall constitute [●] % of the fully diluted post issue capital of our Company. Details of the Issue structure are tabulated below:

Particulars	QIBs#	Non Institutional Bidders	Retail Individual Bidders
Number of Class I Equity Shares#	Not more than [●] Class I Equity Shares	Not less than [●] Class I Equity Shares	Not less than [●] Class I Equity Shares
Percentage of Issue Size available for allocation	Not more than 50% of the Net Issue to the public (of which 5% shall be reserved for Mutual Funds) or Net Issue to the public less allocation to Non-Institutional Bidders and Retail Individual Bidders.* Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. The Unsubscribed portion, if any, in the Mutual Fund reservation will be available to QIBs.	Not less than 15% of the Net Issue to the public or Net Issue size less allocation to QIBs and retail individual bidders.*	Not less than 35% of the Net issue to the public or Net Issue size less allocation to QIBs and non institutional bidders.*
Basis of Allocation if respective category is oversubscribed	Proportionate	Proportionate	Proportionate
Minimum Bid	Such number of Class I Equity Shares that the Bid Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares.	Such number of Class I Equity Shares that the Bid Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares.	[●] Class I Equity Shares and in multiples of [●] Class I Equity Shares thereafter.
Maximum Bid	Not exceeding the size of the Issue, subject to regulations as applicable to the Bidder.	Not exceeding the size of the Issue, subject to regulations as applicable to the Bidder.	Such number of Class I Equity Shares per retail individual investor so as to ensure that the Bid amount does not exceed ₹ 2,00,000 which has to be in multiples of [●] Class I Equity Shares.
Mode of Allotment	Compulsorily in dematerialized mode	Compulsorily in dematerialized mode	Compulsorily in dematerialized mode
Trading Lot/Market lot	One (1) Class I Equity Share	One (1) Class I Equity Share	One (1) Class I Equity Share
Who can apply**	Public financial institutions, as specified in	Resident Indian individuals, eligible	Resident Indian individuals (including

Particulars	QIBs#	Non Institutional Bidders	Retail Individual Bidders
	Section 4A of the Companies Act, scheduled commercial banks, mutual funds, foreign institutional investor and sub-accounts registered with SEBI (other than subaccounts being foreign corporate or foreign individuals), 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 the Insurance Regulatory and Development Authority, provident funds with minimum corpus of ₹ 2,500 Lakhs and pension funds with minimum corpus of ₹ 2,500 Lakhs, 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, in accordance with applicable law, 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.	NRIs, HUF, applying through their Karta, minors applying through their natural guardian companies, corporate bodies, scientific institution, societies, trust, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals.	HUF, applying through their Karta, minors applying through their natural guardian) and eligible NRIs applying for Class I Equity Shares such that the Bid amount does not exceed ₹ 2,00,000 in value.
Terms of payment	Full Bid Amount applicable to QIB Bidders (except for Anchor investors, if any) at the time of submission of Bid-cum-Application Form to the Member of Syndicate or the ASBA Bid-cum-Application Form.	Full Bid Amount applicable to Non-institutional Bidder at the time of submission of Bid-cum-Application Form to the Member of Syndicate or the ASBA Bid-cum-Application Form.	Full Bid Amount applicable to Retail Individual Bidder at the time of submission of Bid-cum-Application Form to the Member of Syndicate or the ASBA Bid-cum-Application Form.

Our Company may allocate upto 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price in accordance with the SEBI ICDR Regulations. At least one-third of the Anchor Investor Portion shall be available for allocation to Domestic Mutual Funds only. Allocation to Anchor Investors shall be on a discretionary basis subject to minimum number of two Anchor Investors.

Further, Anchor Investors shall pay the Anchor Investor Margin Amount at the time of submission of Bid-cum-Application Form to the BRLM and the balance within the Pay-in Date which shall be a date no later than two days of the Bid Closing Date.

** Subject to valid bids being received at or above the Issue Price. Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill over inter-se from any other categories, at the discretion of our Company in consultation with the BRLM subject to applicable provisions of SEBI ICDR Regulations.*

***In case the Bid-cum-Application Form/ ASBA Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and in the same sequence in which they appear in the Bid-cum-Application Form.*

****In case of ASBA Bidders, the SCSB shall be authorized to block such funds in the bank account of the ASBA Bidder that are specified in the ASBA Bid-cum-Application Form.*

Note: Class I Equity Shares being offered through this Draft Red Herring Prospectus can be applied for in dematerialized form only.

TERMS OF THE ISSUE

The Class I Equity Shares being offered are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, Bid cum Application Form, ASBA Bid cum Application Form the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Class I Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Class I Equity Shares

The Class I Equity Shares being offered shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Class I Equity Shares including in respect of the rights to receive dividend. The allottees will be entitled to dividend, voting rights or any other corporate benefits, if any, declared by us after the date of Allotment. *For further details, please refer to Chapter titled "Main Provisions of Articles of Association" on page 286 of this Draft Red Herring Prospectus.*

Mode of Payment of Dividend

We shall pay dividend to our Shareholders as per the provisions of the Companies Act and our Articles of Association. The declaration and payment of dividends will be recommended by our Board of Directors and our shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial condition.

Face Value and Issue Price per Share

The face value of the Class I Equity Shares is ₹ 10 each. The price band is ₹ [●] to ₹ [●] and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value. The Issue Price of ₹ [●] is [●] times the face value. At any given point of time there shall be only one denomination of the Class I Equity Shares of our Company, subject to applicable laws.

Compliance with SEBI (ICDR) Regulations, 2009

Our Company shall comply with all requirements of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, notified on August 26, 2009 as amended from time to time. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Class I Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Class I 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, the terms of the listing agreements with the Stock Exchange(s) and the Memorandum and Articles of Association our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, *please refer to the Chapter titled "Main Provisions of Articles of Association" beginning on page 286 of this Draft Red Herring Prospectus.*

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Class I Equity Shares shall be allotted only in dematerialised form. As per the existing SEBI (ICDR) Regulations, 2009, the trading in the Class I Equity Shares shall only be in dematerialised form for all investors.

Since trading of our Class I Equity Shares is in dematerialised form, the tradable lot is one Class I Equity Share. Allocation and Allotment through this Issue will be done only in electronic form in multiples of one Class I Equity Shares to the successful Bidders subject to a minimum Allotment of [●] Class I Equity Shares. For details of Allocation and Allotment, please refer to the paragraph titled “Basis of Allotment” beginning on page 274 under Chapter titled “Issue Procedure” beginning on page 246 of this Draft Red Herring Prospectus.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares transmitted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the equity share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

BID/ISSUE

Bidding /Issue Programme**

BID/ISSUE OPENS ON	[●]*
BID/ISSUE CLOSES ON	[●]
BID/ISSUE CLOSES FOR NON QIB BIDDERS ON	[●]

* Our Company may consider closing the Bidding Period for QIB Bidders one day prior to the Bid/Issue Closing Date in accordance with the SEBI (ICDR) Regulations

**Our Company may consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the offer through the offer document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days, after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act, 1956.

If the number of allottees in the proposed Issue is less than 1,000 allottees, we shall forthwith refund the entire subscription amount received. If there is a delay beyond 15 days after we become liable to pay the amount, we shall pay interest at the rate of 15% per annum for the delayed period.

Arrangements for Disposal of Odd Lots

Since, our Class I Equity Shares will be traded in dematerialized form only; the marketable lot is one (1) Class I Equity Share. Therefore, there is no possibility of any odd lots.

Restrictions, if any on Transfer and Transmission of Class I Equity Shares

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation/splitting, *please refer to the Chapter titled "Main Provisions of Articles of Association" on page 286 of this Draft Red Herring Prospectus.*

Option to Receive Securities in Dematerialized Form

Class I Equity Shares being offered through this Draft Red Herring Prospectus can be applied for and will be allotted in dematerialized form only.

ISSUE PROCEDURE

This chapter applies to all Bidders. Please note that all Bidders (except the Anchor Investors) can participate in this Issue through the ASBA process. Furthermore, pursuant to SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 non- retail Investors are mandatorily required to utilise the ASBA facility to participate in the Issue. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Bidders are required to make payment of the full Bid Amount with the Bid-cum-Application Form. In case of ASBA Bidders, an amount equivalent to the full Bid Amount will be blocked by the SCSB.

Please note that the information stated/ covered in this section may not be complete and / or accurate and as such would be subject to modification/ change. Our Company and the BRLM would not be liable for any amendment, modification or change in applicable law, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

*In respect of QIBs that apply in Anchor Investor Portion, the Issue Procedure set out below should be read with, and is qualified by, the paragraphs below relating to Anchor Investors, including without limitation, the section on “**Bids by Anchor Investors**” on page 249.*

Issue Procedure

Book Building Procedure

This is an Issue wherein atleast 25% of the post-Issue capital in accordance with Rule 19(2)(b)(i) of the Securities Contracts Regulations Rules, 1957, as amended (“**SCRR**”) is offered to public. Our Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI ICDR Regulations. The Issue is being made through the Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation to Qualified Institutional Buyers on a proportionate basis out of which (excluding Anchor Investor Portion), 5% shall be available for allocation on a proportionate basis to Mutual Funds only. Our Company shall consider making upto 30% of the QIB Portion available for allocation to Anchor Investors at Anchor Investor Issue Price and one-third of the Anchor Investor Portion shall be available for allocation to domestic Mutual Funds subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. The remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Allocation to Anchor Investors, if any, shall be on a discretionary basis and not on a proportionate basis.

Further, not less than 15% of the Net Issue would be available for allocation to Non-Institutional Bidders and not less than 35% of the Net Issue would be available for allocation to Retail Individual Bidders on a proportionate basis, subject to valid Bids being received from them at or above the Issue Price.

Any Bidder (other than Anchor Investors) may participate in this Issue through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid amounts will be blocked by SCSBs. **Please note that Non- retail investors are mandatorily required to make use of the ASBA facility.**

Bidders (including ASBA Bidders) can submit their Bids through the Syndicate or their affiliates. In case of QIBs, our Company may, in consultation with BRLM, reject their Bids at the time of acceptance of the Bid-cum-Application Form, provided that the reasons for such rejection shall be disclosed to such QIB in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company will have the right to reject the Bids only on technical grounds.

Investors should note that the Class I Equity Shares will be allotted to all successful Bidders only

in dematerialised form. The Bid-cum-Application Forms which do not have the details of the Bidders' depository account including DP ID, PAN, and Beneficiary Account Number shall be treated as incomplete and rejected. Bidders will not have the option of being Allotted Class I Equity Shares in physical form. Investors should note that the Class I Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Further, pursuant to the notification (no. LAD-NRO/GN/2010-11/03/1104) dated April 13, 2010, SEBI has provided that Anchor Investors shall pay, on application, the same amount, as is payable by other Bidders, and the balance, if any in case the Issue Price is more than the Anchor Investor Issue Price, within two days of the Bid/Issue Closing Date.

ASBA Process

In accordance with the SEBI ICDR Regulations, all Bidders (including QIB Bidders, but excluding Anchor Investors) can participate in the Issue through the ASBA process. ASBA Bidders shall submit an ASBA Bid-cum-Application Form either (i) in physical form to the Designated Branch of an SCSB or to the members of the Syndicate (at ASBA Bidding Locations) (ii) in electronic form through the internet banking facility offered by an SCSB, authorizing blocking of funds that are available in the bank account ("**ASBA Account**") specified in the ASBA Bid-cum- Application Form used by ASBA Bidders. The SCSB shall block an amount equal to the Bid Amount in the ASBA Account, on the basis of an authorization to this effect given by the account holder at the time of submitting the Bid. The ASBA data shall be uploaded by the SCSB or by the members of the Syndicate in the electronic bidding system of the Stock Exchanges. The Bid Amount shall remain blocked in the ASBA Account until approval of the basis of Allotment in the Issue by the Designated Stock Exchange and consequent transfer of the Bid Amount against the allocated shares to the Public Issue Account, or until withdrawal or failure of the Issue or until withdrawal or rejection of the ASBA Bid, as the case may be. Once the basis of Allotment is approved by the Designated Stock Exchange, 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 requisite amount to the Public Issue Account. In case of withdrawal or failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the BRLM and/or the Registrar. Our Company shall pay a commission to the Syndicate/Sub-syndicate members for the services rendered in relation to the ASBA Process.

Bid-cum-Application Form and ASBA Bid-cum-Application Form

Retail Bidders shall only use the Bid-cum-Application Form (except in case of ASBA Bidders) bearing the stamp of a Syndicate Member for making a Bid in terms of this Draft Red Herring Prospectus. Non-retail Bidders shall use the specified ASBA Bid cum Application Form, indicating the mode of payment option as being "ASBA" obtained from any member of the Syndicate, for the purpose of making a Bid in terms of the Red Herring Prospectus. The Bid-cum-Application Form (except in relation to ASBA Bidders) before being issued to Bidders, shall be serially numbered and the date and time shall be stamped at the Bidding centers and such form shall be signed by the Bidder and countersigned by the relevant member of the Syndicate. ASBA Bidders including QIBs and Non Institutional Bidders, shall submit the ASBA Bid-cum-Application Form either in physical or electronic form to the SCSB or to a member of the Syndicate (at selected ASBA Bidding locations) (Syndicate / Sub – syndicate members at the ASBA Bidding Locations may procure the ASBA Bid cum Application Form from investors and submit the same to SCSBs) authorizing blocking funds that are available in the bank account specified in the ASBA Bid-cum-Application Form used by ASBA Bidders (through the internet banking facility available with the SCSBs or such other electronically enabled mechanism for Bidding). The ASBA Bid cum Application Form will also be available on the websites of the BSE and the NSE at least 1 day prior to the Bid/Issue Opening Date and shall bear a unique application number. The BRLM and the SCSBs will provide the hyperlink to BSE or NSE on their websites. ***Only QIBs can participate in the Anchor Investor Portion and such Anchor Investors cannot submit their Bids through the ASBA process.***

The Bid cum Application Form shall contain information about the Bidder and the price and number of Class I Equity Shares that the Bidder wishes to Bid for. The Bidder shall have the option to make a maximum of three Bids in the Bid-cum-Application Form and such options shall not be considered as multiple Bids.

Upon filing of the Prospectus with the RoC, the Bid-cum-Application Form or the ASBA Bid cum Application Form, as the case may be, shall be considered as the valid Application Form. Upon completion and submission the Bid-cum-Application Form or the ASBA Bid cum Application Form, as the case may be, to a Syndicate Member the Bidder is deemed to have authorized the Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form/ ASBA Bid cum Application Form as would be required under the SEBI ICDR Regulations and other applicable laws, for filing the Prospectus with RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the Bidder or the ASBA Bidder.

No separate receipts shall be issued for the money payable on the submission of the Bid-cum-Application Form or ASBA Bid-cum-Application Form and Revision Form. However, the collection center of the Syndicate will acknowledge the receipt of such form by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form or ASBA Bid-cum-Application Form and Revision Form for the records of the Bidder.

The prescribed colour of the Bid-cum-Application Form for the various categories is as follows:

Category	Colour Of Bid-Cum-Application Form/ASBA Bid Cum Application Form
Resident Indians, Retail and Eligible NRIs applying on a non-repatriation basis	[•]
Non-Residents including Eligible Retail NRIs applying on a repatriation basis, excluding Anchor Investors	[•]
Anchor Investors*	
Residential ASBA Bidders bidding through physical form	[•]
Non-resident ASBA Bidders bidding through physical form	[•]

* Bid-cum-Application Forms for Anchor Investors shall be made available at our Registered Office and the offices of the BRLM.

Who can Bid?

1. Indian nationals resident in India who are majors, in single or joint names (not more than three);
2. Persons eligible to invest in the Class I Equity Shares under all applicable laws, rules, regulations and guidelines;
3. HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid-cum-Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;
4. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in Class I Equity Shares;
5. Mutual Funds registered with SEBI;
6. Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and SEBI ICDR Regulations, as applicable);
7. Multilateral and bilateral development financial institutions;
8. Venture Capital Funds registered with SEBI;
9. Foreign Venture Capital Investors registered with SEBI subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue;
10. FIIs and sub-accounts registered with SEBI other than a sub-account which is a foreign corporate or foreign individual, subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue;
11. Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category;
12. Limited Liability Partnerships (LLPs) registered in India and authorised to invest in Class I equity shares;
13. State Industrial Development Corporations;
14. Insurance companies registered with the Insurance Regulatory and Development Authority;

15. Provident funds with a minimum corpus of ₹ 2,500 Lakhs and who are authorized under their constitution to invest in Class I equity shares;
16. Pension funds with a minimum corpus of ₹ 2,500 Lakhs and who are authorized under their constitution to invest in Class I equity shares;
17. National Investment Fund;
18. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts and who are authorized under their respective constitutions to hold and invest in Class I equity shares;
19. Eligible Non-residents including NRIs and FIIs on a repatriation basis or a non-repatriation basis subject to applicable local laws. NRIs other than eligible NRIs are not eligible to participate in this Issue;
20. Scientific and/or industrial research organizations authorized under their constitution to invest in Class I equity shares;
21. Any other QIBs permitted to invest, subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue;
22. Insurance funds set up and managed by army, navy or air force of the Union of India;
23. Insurance Funds set-up and managed by Department of Posts, India; and
24. All other persons eligible to invest under all applicable laws, rules regulations and guidelines.

As per the existing regulations, OCBs are not eligible to participate in this Issue.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Class I Equity Shares that can be held by them under applicable law.

Participation by associates/ affiliates of BRLM and Syndicate Members

The BRLM and the Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. Associates and affiliates of the BRLM and the Syndicate Members may subscribe to Class I Equity Shares in the Issue, including in the QIB Portion (excluding Anchor Investor Portion) and Non-Institutional Portion as may be applicable to such Bidder, where the allocation is on a proportionate basis. Such bidding and subscription may be on their own account or for the account of their clients. The BRLM and any persons related to the BRLM, the Syndicate Members and their affiliates and associates, our Promoter and our Promoter Group cannot apply in this Issue under the Anchor Investor Portion.

Bids by Anchor Investors

Our Company, in consultation with the BRLM, may consider participation by Anchor Investors in the QIB Portion for up to 30% of the QIB Portion in accordance with the SEBI ICDR Regulations. Only QIBs as defined in Sub-Regulation (1) (zd) of Regulation 2 of the SEBI ICDR Regulations and not otherwise excluded pursuant to Schedule XI of the SEBI ICDR Regulations are eligible to invest.

The QIB Portion shall be reduced in proportion to the allocation under the Anchor Investor Portion. In the event of under-subscription on non-allotment in the Anchor Investor Portion, the balance Class I Equity Shares shall be added to the QIB Portion. In accordance with the SEBI ICDR Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

1. Anchor Investors Bid cum Application Form will be made available for the Anchor Investor Portion at our Registered Office and BRLM.
2. The Bid must be for a minimum of such number of Class I Equity Shares so that the Bid Amount equals to or exceeds ₹ 1,000 Lakhs. A Bid cannot be submitted for more than 30% of the QIB Portion. In case of a Mutual Fund registered with SEBI, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 1,000 Lakhs.
3. One-third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds.

4. The Bidding for Anchor Investors shall open one Working Day before the Bid/Issue Opening Date and shall be completed on the same day.
5. Our Company in consultation with the BRLM shall finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allotees in the Anchor Investor Portion shall not be less than two, where the allocation under Anchor Investor Portion is up to 25,000 Lakhs and five where the allocation is more than 25,000 Lakhs.
6. Allocation to Anchor Investors shall be completed on the Anchor Investor Bidding Date. The number of Class I Equity Shares allocated to Anchor Investors and the price at which the allocation is made, shall be made available in public domain by the BRLM before the Bid/Issue Opening Date.
7. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid / Issue Period.
8. In the event the Issue Price is greater than the Anchor Investor Issue Price, the additional amount being the difference between the Issue Price and the Anchor Investor Issue Price shall be paid by the Anchor Investors by the Pay-in-Date which shall not be later than 2 days from Bid/Issue closing date. In the event the Issue Price is lower than the Anchor Investor Issue Price, the Allotment to Anchor Investors shall be at the higher price i.e. the Anchor Investor Issue Price.
9. The Class I Equity Shares Allotted in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.
10. Neither the BRLM nor any person related to the BRLM, our Promoter or our Promoter Group shall participate in the Anchor Investor Portion. The parameters for selection of the Anchor Investors shall be clearly identified by the BRLM and shall be made available as part of the records of the BRLM for inspection by SEBI.
11. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion (excluding the Anchor Investor Portion, if any) shall not be considered as multiple Bids.

Additional details, if any, regarding participation in this Issue under the Anchor Investor Portion shall be disclosed in the advertisement for the Price Band which shall be published by our Company in one English national newspaper, one Hindi national newspaper and one regional newspaper, each with wide circulation, where the Registered Office of our Company is situated at least two Working Days prior to the Bid Opening Date.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Class I Equity Shares to a single FII should not exceed 10% of the post-Issue paid-up capital of our Company. In respect of an FII investing in Equity Shares of our Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of our Company or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. In accordance with the foreign investment limits applicable to our Company, such investment must be made out of funds raised or collected or brought from outside 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. With the approval of the Board of Directors and the shareholders by way of a special resolution, the aggregate FII holding can go up to the applicable sectoral caps. The aggregate FII holding in our Company has been increased to 49% *vide* the resolution of the shareholders dated July 29, 2011.

A sub-account of an FII which is a foreign corporate or foreign individual shall not be considered to be

a Qualified Institutional Buyer, as defined under the SEBI ICDR Regulations, for this Issue.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended (the “**SEBI FII Regulations**”), an FII as defined in the SEBI FII Regulations may issue, or otherwise deal in offshore derivative instruments (defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by an FII against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms. The FII 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 BRLM and the Syndicate Members that are FIIs may issue offshore derivative instruments against Class I Equity Shares Allotted to them in the Issue. Any such offshore derivative instrument does not constitute any obligation of, claim on or an interest in our Company.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund or foreign venture capital investor registered with SEBI should not exceed 25% of the corpus of the venture capital fund/ foreign venture capital investor. However, venture capital funds or foreign venture capital investors may invest not more than 33.33% of their respective investible funds in various prescribed instruments, including in initial public offers of venture capital undertakings.

Pursuant to the SEBI ICDR Regulations, the shareholding of SEBI registered Venture Capital Funds and Foreign Venture Capital Investors held in a company prior to making an Initial Public Offering would be exempt from Lock-in requirements only if the shares have been held by them for atleast one year prior to the time of filing this Draft Red Herring Prospectus with SEBI.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only at the rate of exchange prevailing at the time of remittance and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into USD 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 Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by Mutual Funds

Procedure for applications by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand is greater than [•] Class I Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion and Mutual Funds applying under the Anchor Investor Portion, after excluding the allocation in the Mutual Fund Portion.

As per the SEBI ICDR Regulations, 5% of the QIB Portion (excluding the Anchor Investor Portion), has been specifically reserved for Mutual Funds on a proportionate basis. An eligible Bid by a Mutual Fund in the Mutual Fund Portion shall first be considered for allocation proportionately in the Mutual Fund Portion. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investors Issue Price.

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 equity shares or equity related instruments of any single 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 over 10% of any company's paid-up share capital carrying voting rights.

The Bids made by Asset Management Companies or Custodians of Mutual Funds should specifically state the name of concerned schemes for which Bids are made.

Multiple applications by Mutual Funds

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

Bids by Eligible Non Resident Indians (NRIs)

Bid-cum-Application Forms have been made available for eligible NRIs at the Registered Office of our Company and with the members of the Syndicate or SCSBs, as the case may be.

Eligible NRIs should note that only such applications as are accompanied by payment in free foreign exchange or by debit to their NRE/FCNR accounts shall be considered for Allotment on repatriation basis. Eligible NRIs intending to participate in the Bidding process shall ensure that their foreign address is registered with their depository participant or furnished on the Bid-cum-Application form. Post Allotment, if any, on repatriable basis, our Company is required to file FC-GPR or FCTRS, as the case may be, with the Reserve Bank of India through an authorised dealer along with a KYC (Know Your Client) report issued by their banker. Eligible NRIs who may be Allotted Class I Equity Shares of our Company in this Issue are required to facilitate the issue of the said report to be furnished to RBI.

The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts should use the form meant for Resident Indians and not use the forms meant for any reserved category. All instruments accompanying Bids shall be payable in Mumbai only.

Bids under Power of Attorney

In case of Bids (including ASBA Bids) made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹ 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 Lakhs 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 and articles of association and/or bye laws must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

In addition to the above, certain additional documents are required to be submitted by the following entities, failing which, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason:

1. With respect to Bids by FIIs, VCFs, FVCIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid-cum-Application Form or the ASBA Bid-cum-Application Form as applicable. Failing this, our Company reserves the right to accept or reject any Bid, in whole or in part, in either case without assigning any reasons thereof.
2. With respect to Bids 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 along with the Bid-cum-Application Form or the ASBA Bid-cum-Application Form applicable. Failing this, our Company reserves the right to accept or reject any Bid, in whole or in part, in either case without assigning any reasons thereof.

3. With respect to Bids made by provident funds with a minimum corpus of 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of 2,500 Lakhs, 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 Bid-cum-Application Form or the ASBA Bid-cum-Application Form as applicable. Failing this, our Company reserves the right to accept or reject such bid, in whole or in part, in either case without assigning any reasons thereof.

Our Company, in its absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid-cum-Application Form, subject to such terms and conditions that our Company and the BRLM 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 that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice, the demographic details given on the Bid-cum-Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use demographic details as given in the Bid-cum-Application Form instead of those obtained from the depositories.

Bids and revision of Bids by Non-Residents, NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI on a repatriation basis.

Bids and revision to Bids must be made in the following manner:

1. On the prescribed Bid-cum-Application Form or the Revision Form, as applicable ([•] in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
2. In a single name or joint names (not more than three and in the same order as their Depository Participant details).
3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees. Bids by Eligible NRIs for a Bid Amount of up to ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 200,000 would be considered under Non- Institutional Portion for the purposes of allocation.

Maximum and Minimum Bid Size

For Retail Individual Bidders: The Bid must be for a minimum of [•] Class I Equity Shares and in multiples of [•] Class I Equity Shares thereafter, subject to maximum Bid amount of ₹ 200,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ₹ 200,000. In case the maximum Bid amount is more than ₹ 200,000, due to a revision in the Bid or a revision in the Price Band or on exercise of the option to bid at Cut-off Price, then the same would be considered for allocation under the Non-Institutional Bidders category. The Cut-off option is given only to the Retail Individual Bidders indicating their agreement to Bid and to acquire the Class I Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

For Non-Institutional Bidders and QIB Bidders (excluding Anchor Investors): The Bid must be for a minimum of such Class I Equity Shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of [•] Class I Equity Shares thereafter. A Bid cannot be submitted for more than the size of the Net Issue. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them by the regulatory or statutory authorities governing them. Under SEBI ICDR Regulations, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the entire Bid Amount upon submission of Bid. **The Company may close the Bid/Issue Period for QIBs one working day prior to the Bid/Issue Closing Date. Accordingly, QIB Investors will not be allowed to withdraw their bids after Bid/Issue Closing Date or one Working Date prior to the Bid/Issue Closing Date as may be applicable.**

In case of revision of Bids, the Non Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than ₹ 200,000 for being considered for allocation in the Non-Institutional category. In case the Bid Amount reduces to ₹ 200,000 or less due to a revision in Bids or revision of the Price Band Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non Institutional Bidders and QIB Bidders are not allowed to Bid at 'Cut-Off'. **A QIB Bidder cannot withdraw its Bid after the Bid Closing Date.**

Non – retail Investors i.e. QIBs and Non Institutional Investors who intend to participate in the Issue are mandatorily required to submit their Bids through the ASBA facility.

Information for Bidders

1. Our Company shall, pursuant to the filing of this Draft Red Herring Prospectus with SEBI, make a Public Announcement in English and a Hindi national newspaper and in a Tamil newspaper with wide circulation. This Public Announcement, subject to the provisions of Section 60 of the Companies Act, shall invite public to give their comments to SEBI in respect of disclosures made in this Draft Red Herring Prospectus.
2. Our Company, in consultation with the BRLM shall declare the Bid/Issue Opening Date and the Bid/Issue Closing Date (and the date on which our Company may decide to close the Bids for the QIBs) in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in one Tamil newspaper with wide circulation. This advertisement shall be in the prescribed format.
3. The Price Band and the minimum bid lot as decided by our Company in consultation with the BRLM, including the relevant financial ratios computed for both the Cap Price and the Floor Price shall be published at least two (2) Working Days prior to the Bid/Issue Opening by our Company in an English and a Hindi national newspaper and in one Tamil newspaper with wide circulation.
4. Our Company will file the Red Herring Prospectus with the RoC at least three (3) days prior to the Bid/ Issue Opening Date.
5. The members of the Syndicate and the SCSBs, as applicable will circulate copies of the Red Herring Prospectus along with the Bid-cum-Application Form to potential investors. The SCSBs shall ensure that the electronic ASBA Bid-cum-Application Form and the abridged prospectus are made available on their respective websites.
6. Copies of ASBA Bid-cum-Application Forms will be available for downloading and printing, from website of the Stock Exchanges (which provide electronic interface for ASBA facility). A unique application number will be generated for every ASBA Bid-cum-Application Form downloaded and printed from the websites of the Stock Exchanges.
7. Any Bidder (who is eligible to invest in our Class I Equity Shares) who would like to obtain the Red Herring Prospectus and / or the Bid-cum-Application Form can obtain the same from our Registered Office or from the BRLM / Syndicate Members.
8. Eligible Bidders who are interested in subscribing to the Class I Equity Shares should approach the BRLM or Syndicate Members or their authorized agent(s) or the SCSBs (as applicable) to register their Bid. Bidders can also approach the Designated Branch of the SCSBs to register their Bids under the ASBA process.
9. The Bids should be submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Form or ASBA Bid-cum-Application Form (except electronic ASBA Bid cum Application Forms) should bear the stamp of the members of the Syndicate otherwise they will be rejected. Bids by ASBA Bidders shall be accepted by the Designated Branches of SCSBs and by the members of the Syndicate (at the ASBA Bidding Locations) in accordance with the SEBI ICDR Regulations and any circulars issued by SEBI in this regard. Bidders

(other than Anchor Investors) applying through the ASBA process also have an option to submit the ASBA Bid-cum-Application Form in electronic form.

10. Bidding by QIBs (except Anchor Investors) may close one day prior to the Bid Closing Date, provided that Bidding shall be kept open for a minimum of three Working Days for all other categories of Investors. Our Company's decision to close bidding QIBs one day prior to the Bid/Issue Closing date, if any, shall be disclosed in the RHP to be filed with RoC.
11. The Price Band has been fixed at ₹ [●] to ₹[●] per Class I Equity Share. The Bidders can Bid at any price within the Price Band, in multiples of [●] Class I Equity Shares. In accordance with the SEBI ICDR Regulations, our Company, in consultation with the BRLM, reserve the right to revise the Price Band during the Bid/Issue period. The cap on the Price Band will not be more than 120% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.
12. Our Company in consultation with the BRLM shall finalise the Issue Price within the Price Band, without the prior approval of, or intimation to, the Bidders.
13. In case the Price Band is revised, the Bid/Issue period shall be extended, by an additional three days, subject to the total Bid/Issue period not exceeding ten (10) Working Days. The revised Price Band and Bid/Issue period, if applicable, will be widely disseminated by notification to the Stock Exchanges, and by publishing in two national daily newspapers (one each in English and Hindi) and one regional daily language newspaper, with wide circulation in the place where our Registered Office is situated and also by indicating the change on the website of the BRLM and at the terminals of the members of the Syndicate.
14. Bid-cum-Application Forms will also be available on BSE and NSE websites.
15. With effect from August 16, 2010, the Demat accounts of Bidders for whom PAN details have not been verified, shall be "suspended for credit" and no credit of Class I Equity Shares pursuant to this Issue shall be made into the accounts of such Bidders.

The applicants may note that in case the DP ID and Client ID and PAN mentioned in the Bid-cum-Application Form, ASBA Bid-cum-Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate do not match with the DP ID and Client ID and PAN available in the Depository database, the application is liable to be rejected.

General Instructions

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable laws, rules and regulations;
2. Read all the instructions carefully and complete the Bid-cum-Application Form/ ASBA Bid-cum-Application Form;
3. Ensure that the Bids are submitted at the Bidding centres only on forms bearing the stamp of a member of the Syndicate or the SCSB in case of ASBA Bidders (except in case of electronic ASBA Bid cum Application Forms); In case you are a Bidder other than an ASBA Bidder, ensure that your Bid is submitted at the bidding center only on a form bearing the stamp of a member of the Syndicate. In case you are an ASBA Bidder, the Bid should be submitted to a Designated Branch of an SCSB/ Syndicate member (at ASBA Bidding Locations), with which the ASBA Bidder or a person whose bank account will be utilised by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue or collecting banks (assuming that such collecting banks are not SCSBs), the Company or the Registrar. With respect to ASBA Bids, ensure that you use the ASBA Bid-cum-Application Form specified for this purpose, and that such form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the ASBA Bid-cum-Application Form;
4. Ensure that you have requested for and received a Transaction Registration Slip (TRS) for

- your Bid cum Application Form or Revision Form;
5. Ensure that you have funds equal to the Bid Amount in your bank account maintained with the SCSB before submitting the ASBA Bid-cum-Application Form;
6. Ensure that the full Bid Amount is paid for the Bids submitted to the members of the Syndicate and funds equivalent to the Bid Amount are blocked in case of any Bids submitted through the SCSBs;
7. Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
8. Submit revised Bids to the same member of the Syndicate or Designated Branch of the SCSB through whom the original Bid was placed and obtain a revised TRS/acknowledgement;
9. Ensure that the Bid is within the Price Band;
10. Ensure that you mention your PAN allotted under the I.T. Act with the Bid-cum-Application Form/ ASBA Bid-cum-Application Form (Except for Bids on behalf of the Central or State Government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Bidders resident in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market;
11. Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects.
12. Ensure that the Depository Participant identification number (DP ID), the client identification number (Client ID) and PAN mentioned in the Bid-cum-Application Form/ASBA Bid-cum-Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Members or Designated Branches of the SCSBs, as the case may be, matches with the DP ID, Client ID and PAN available in the Depository database. The Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid-cum-Application Form/ASBA Bid-cum-Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Members or the Designated Branches of the SCSBs, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected.
13. Ensure that the name(s) given in the Bid-cum-Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid-cum-Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid-cum-Application Form.
14. Where the Bid-cum-Application Form/ASBA Bid-cum-Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid-cum-Application Form/ASBA Bid-cum-Application Form.

In addition, ASBA Bidders should ensure that:

1. The ASBA Bid-cum-Application Form is signed by the account holder in case the applicant is not the account holder;
2. The correct bank account numbers have been mentioned in the ASBA Bid-cum-Application Form;
3. The authorization box in the ASBA Bid-cum-Application Form has been correctly checked, or an authorization to the SCSB through the electronic mode has been otherwise provided, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA Bid-cum-Application Form in the ASBA Account maintained with a branch of the concerned SCSB; and
4. An acknowledgement from the Designated Branch of the concerned SCSB or the Syndicate/ sub-syndicate member in designated cities for the submission of the ASBA Bid-cum-Application Form has been obtained.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/ revise Bid price to less than the lower end of the Price Band or higher than the higher end of the Price Band;
3. Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to the

- member of the Syndicate or the SCSB;
- 4. Do not pay the Bid amount in cash, by money order or by postal order or by stockinvest and in relation to ABSA Bidders in any other mode other than blocked amounts in the bank accounts maintained by SCSBs;
- 5. Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate or Designated Branch of the SCSB, as applicable;
- 6. Do not provide your GIR number instead of your PAN number as the Bid is liable to be rejected on this ground;
- 7. Do not Bid at Cut-Off price (for QIBs and Non-Institutional Bidders);
- 8. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);
- 9. Do not fill up the Bid-cum-Application Form such that the Class I Equity Shares bid for exceeds the Net Issue size and/ or investment limit or maximum number of Class I Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Draft Red Herring Prospectus;
- 10. Do not Bid if you are prohibited from doing so under the law of your local jurisdiction;
- 11. Do not submit more than five (5) ASBA Bid-cum-Application Forms per bank account for the Issue;
- 12. Do not submit the Bid without payment of the entire Bid Amount;
- 13. Do not submit incorrect details of DP ID, Client ID and PAN or give details for which demat account are suspended or for which such details cannot be verified by the Registrar; and

Bids and revisions of Bids must be:

- 1. Made only in the prescribed Bid-cum-Application Form or Revision Form, as applicable;
- 2. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained here, in the Bid cum Application Form or in the Revision Form. Bidders must provide details of valid and active DP-ID, client ID and PAN clearly and without error. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment. Incomplete Bid cum Application Forms, Revision Forms or ASBA Bid cum Application Form, or Revision Forms or in the ASBA Revision Form are liable to be rejected. Bidders should note that the members of the Syndicate and/or the SCSBs (as appropriate) will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms or Revision Forms.
- 3. Information provided by the Bidders will be uploaded in the online IPO system by the members of the Syndicate and SCSBs, as the case may be, and the electronic data will be used to make allocation/Allotment. Please ensure that the details are correct are legible;
- 4. The Bids from the Retail Individual Bidders must be for a minimum of [•] Class I Equity Shares and in multiples of [•] thereafter subject to a maximum Bid amount of ₹ 200,000. In case the Bid Amount is over ₹ 200,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders portion;
- 5. The option to Bid at Cut-off Price is an option given only to the Retail Individual Bidders submitting Bids indicating their agreement to Bid;
- 6. For Non-institutional and QIB Bidders (except Anchor Investors), Bids must be for a minimum Bid Amount of ₹ 200,000 and in multiples of [•] Class I Equity Shares thereafter. All Individual Bidders whose maximum bid amount exceeds ₹ 200,000 would be considered under this category. Bids cannot be made for more than the Net Issue Size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of Class I Equity Shares that can be held by them under the applicable laws or regulations;
- 7. In single name or in joint names (not more than three and in the same order as their Depository Participant details);
- 8. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- 9. Bids by Non Residents, NRIs and FIIs, FVCIs, multilateral and bilateral development financial institutions on a repatriation basis shall be in the names of individuals, or in the names of FIIs, FVCIs multilateral and bilateral development financial institutions but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their

nominees;

Method and Process of Bidding

1. Our Company and the BRLM shall declare the Bid Opening Date and Bid Closing Date (including the date on which Bidding shall be closed for QIBs) at the time of filing the Red Herring Prospectus with the RoC and shall also publish it in an English and a Hindi national newspaper and in one Tamil newspaper with wide circulation at least two (2) Working Days prior to the Bid Opening Date. This advertisement, subject to the provisions of Section 66 of the Companies Act, shall contain the disclosure requirements as specified under Schedule XIII of the SEBI ICDR Regulations;
2. Our Company shall, in consultation with the BRLM, decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in one English national daily, one Hindi national daily and one Tamil daily newspaper with wide circulation at least two (2) Working Days prior to the Bid/ Issue Opening Date. The Syndicate and the SCSBs shall accept Bids from the Bidders during the Bid/Issue Period in accordance with the terms of the Syndicate Agreement;
3. The Bid/Issue Period shall be a minimum of three Working Days and not exceeding ten Working Days. In case the Price Band is revised, the revised Price Band and Bidding Period will be published in one English national daily, one Hindi national daily and one Tamil daily newspaper with wide circulation and the Bid/Issue Period may be extended, if required, by atleast an additional three Working Days, subject to the total Bid/Issue Period not exceeding ten Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in two national newspapers (one each in English and Hindi) and one Tamil newspaper with wide circulation and also by indicating the change on the websites of BRLM and at the terminals of the members of the Syndicate. However, the BRLM shall accept Bids from the Anchor Investors on the Anchor Investor Bidding Date, *i.e.* one Working Day prior to the Bid Opening Date. Our Company shall inform the Stock Exchanges of the Anchor Investors Issue Price on or prior to the Bid/Issue opening Date;
4. Each Bid-cum-Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph entitled “**Bids at Different Price Levels**” below) and specify the demand (*i.e.* the number of Class I Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid-cum-Application Form and / or ASBA Bid-cum-Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Class I Equity Shares bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid;
5. The Bidder cannot Bid on another Bid-cum-Application Form after his or her Bids on one Bid-cum-Application Form have been submitted to any member of the Syndicate or the SCSBs. Submission of a second Bid-cum-Application Form to either the same or to another member of the Syndicate or SCSBs will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or allotment of Class I Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled “**Build up of the Book and Revision of Bids**”;
6. Except in relation to Bids received from the Anchor Investors, the Members of the Syndicate/SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS, for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid-cum-Application Form;
7. The BRLM shall accept Bids from the Anchor Investors during the Anchor Investor Bid/Issue Period *i.e.* one (1) Working Day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion (excluding Anchor Investor Portion, if any) shall not be considered as multiple Bids;

8. Along with the Bid-cum-Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described under the paragraph titled '*Payment Instructions*' beginning on page 260;
9. Upon receipt of the ASBA Bid-cum-Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid-cum-Application Form, prior to uploading such Bids with the Stock Exchanges;
10. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges;
11. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid-cum-Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request; and
12. The identity of QIB Bidders shall not be made public except those of Anchor Investor(s) which shall be published on the websites of the Stock Exchanges.

Bids at Different Price Levels

The Bidders can Bid at any price within the Price Band, in multiples of ₹ [●].

1. Our Company shall, in consultation with the BRLM, decide the Price Band and the minimum Bid lot size for this Issue and the same shall be advertised in one English national daily, one Hindi national daily and one Tamil daily newspaper with wide circulation at least two Working Days prior to the Bid/ Issue Opening Date. The Syndicate and the SCSBs shall accept Bids from the Bidders during the Bid/Issue Period. In accordance with SEBI ICDR Regulations, our Company, in consultation with the BRLM reserve the right to revise the Price Band during the Bid/Issue Period, provided the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Class I Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least two days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.
2. Our Company in consultation with the BRLM can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.
3. Our Company, in consultation with the BRLM, can finalise the Anchor Investor Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Anchor Investors.
4. Bidders can bid at any price within the Price Band. Bidders have to Bid for the desired number of Class I Equity Shares at a specific price. Retail Individual Bidders applying for a maximum Bid in any of the bidding options not exceeding ₹ 200,000 may bid at Cut-off Price. However, bidding at Cut-off Price is prohibited for QIBs and Non-Institutional Bidders and such Bids from QIBs and Non Institutional Bidders shall be rejected.
5. Retail Individual Bidders who Bid at the Cut-off Price agree that they shall acquire the Class I Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-off Price shall deposit the Bid Amount based on the Cap Price in the respective Escrow Accounts. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who Bid at Cut-off Price, (i.e. the total number of Class I Equity Shares allocated in the Issue multiplied by the Issue Price) the Retail Individual Bidders, who Bid at Cut-off Price, shall receive the refund of the excess amounts from the respective Escrow

Accounts/refund account(s). In case of ASBA Bidder bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block amount based on the Cap Price.

6. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had bid at Cut-Off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the revised Price Band, with the members of the Syndicate or the SCSBs to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non Institutional category in terms of this Draft Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Class I Equity Shares Bid for shall be adjusted for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off.
7. In case of a downward revision in the Price Band, Retail Individual Bidders who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the respective Escrow Accounts/refund account(s) or unblocked by the SCSBs, as applicable.
8. Our Company, in consultation with the BRLM, shall decide the minimum number of Class I Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ [●] to ₹ [●].
9. When a Bidder has revised his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. It is the Bidder's responsibility to request for and obtain the revised TRS, which will act as proof of revision of the previous Bid.
10. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the Bids by ASBA Bidders, if revision of the Bids results in an incremental amount, the relevant SCSB shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid. In such cases, the Syndicate will revise the earlier Bids details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.
11. When a Bidder revises his or her Bid, he or she should surrender the earlier TRS and request for a revised TRS from the Syndicate or the SCSB, as proof of his or her having revised the previous Bid.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Retail individual Bidders other than ASBA Bidders and payment into the Escrow Account

Pursuant to SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 non- retail Investors are mandatorily required to utilise the ASBA facility to participate in the Issue.

Our Company and the BRLM shall open Escrow Accounts with one or more Escrow Collection Banks in whose favor the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid amount from Retail individual Bidders would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus, the Prospectus and an Escrow Agreement to be entered into amongst our Company, the BRLM, Escrow Bankers and Registrar to the Issue. The monies in the Escrow Account shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders until the Designated Date. The Escrow Collection Bank(s)

shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Public Issue Account with the Bankers to the Issue as per the terms of the Escrow Agreement. Payments of refunds to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Escrow Collection Bank(s), our Company, Registrar to the Issue and BRLM to facilitate collection from the Bidders.

Payment mechanism for ASBA Bidders

Pursuant to SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 non- retail Investors are mandatorily required to utilise the ASBA facility to participate in the Issue.

ASBA Bidders shall specify the bank account number in the ASBA Bid-cum-Application Form which is to be submitted to the Syndicate member. The Syndicate member shall in turn forward the ASBA Bid cum Application Form to the SCSB for processing and the SCSB shall block an amount equivalent to the Bid Amount in the bank account specified in the ASBA Bid-cum-Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/ rejection of the ASBA Bid or receipt of instructions from the Registrar to unblock the Bid Amount. In the event of withdrawal or rejection of ASBA Bid-cum-Application Form or for unsuccessful ASBA Bid-cum-Application Form, the Registrar shall give instructions to the SCSB to unblock the application money in the relevant bank account within one Working Day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in this Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of this Issue or until rejection of the ASBA Bid, as the case may be.

Upon completing and submitting the ASBA Form to the Designated Branch, the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus 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 Bidders.

Upon submission of an ASBA Bid-cum-Application Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch to block such Bid Amount in the ASBA Account. An ASBA Bid cum Application Form should not be accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid-cum-Application Form until the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Accounts, in accordance with the SEBI ICDR Regulations, into the Public Issue Account. The balance amount, if any, against any Bid 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.

Terms of Payment for Retail individual Bidders other than ASBA Bidders and Payment into the Escrow Account

Each Retail individual Bidder who does not utilize the ASBA facility shall pay the full Bid Amount at the time of the submission of the Bid-cum-Application Form, and shall, along with the submission of the Bid-cum-Application Form, draw a cheque or demand draft in favor of the relevant Escrow Account of the Escrow Collection Bank(s) (see “Payment in Escrow Account” below), and submit such cheque or demand draft to the member of the Syndicate to whom the Bid is being submitted. Retail individual Bidders may also provide the entire Bid Amount by way of an electronic transfer of funds through the RTGS mechanism. Bid-cum-Application Forms accompanied by cash/stockinvest/money order/postal order shall not be accepted.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Retail individual Bidders until the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account. The balance amount after transfer to the Public Issue Account of our Company shall be transferred to the Refund Account on the Designated Date. No later than 12 Working Days from the Bid / Issue Closing Date, the Escrow Collection Bank(s) shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for Allotment, to the Bidders.

Where the Retail individual Bidder has been allotted a lesser number of Class I Equity Shares than he or she had Bid for, the excess amount paid on Bidding, if any, after adjustment for Allotment, will be refunded to such Bidder within 12 Working Days from the Bid / Issue Closing Date, failing which our Company shall pay interest according to the provisions of the Companies Act for any delay of more than 7 days after the Basis of Allotment or 12 days from the Bid / Issue Closing Date, whichever is earlier.

Payment into Escrow Accounts

1. All Retail individual Bidders who are not Bidding through ASBA facility would be required to pay the entire Bid Amount at the time of the submission of the Bid-cum-Application Form.
2. The Retail individual Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the entire Bid Amount in favour of the Escrow Account(s) and submit the same to the member of the Syndicate. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid shall be rejected. Bid cum Application Forms accompanied by cash, stockinvest, money order or postal order shall not be accepted.
3. The payment instruments for payment into the Escrow Account(s) should be drawn in favour of:
 - a. In case of QIBs: **“Ind Eco Ventures Public Issue - Escrow Account –QIB – R”**;
 - b. In case of Resident Anchor Investors: **“Ind Eco Ventures Public Issue – Escrow Account – Anchor Investor - R”**;
 - c. In case of Non-Resident Anchor Investor: **“Ind Eco Ventures Public Issue – Escrow Account – Anchor Investor - NR”**
 - d. In case of Non-Resident QIB Bidders: **“Ind Eco Ventures Public Issue - Escrow Account - QIB - NR”**;
 - e. In case of Resident Retail and Non Institutional Bidders: **“Ind Eco Ventures Public Issue - Escrow Account - R”**;
 - f. In case of Non Resident Retail and Non Institutional Bidders: **“Ind Eco Ventures Public Issue - Escrow Account – NR”**;
4. In the event of Issue Price being higher than the price at which allocation is made to Anchor Investors, the Anchor Investors shall be required to pay such additional amount to the extent of shortfall between the price at which allocation is made to them and the Issue Price within 2 Working Days of the Bid / Issue Closing Date. If the Issue Price is lower than the price at which allocation is made to Anchor Investors, the amount in excess of the Issue Price paid by Anchor Investors shall not be refunded to them.
5. Our Company in consultation with the BRLM, in their absolute discretion, shall decide the list of Anchor Investors to whom the provisional CAN or CAN shall be sent, pursuant to which the details of the Class I Equity Shares allocated to them in their respective names shall be notified to such Anchor Investors.
6. In case of Bids by Eligible Retail individual NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of NRO Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that this draft

has been issued by debiting an NRE Account or FCNR Account.

7. In case of Bids by Eligible Retail individual NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a NRO Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that this draft has been issued by debiting an NRE or FCNR or NRO Account.
8. The monies deposited in the Escrow Account(s) will be held for the benefit of the Bidders until the Designated Date.
9. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account(s) as per the terms of the Escrow Agreement and the Red Herring Prospectus into the Public Issue Account and the surplus amount shall be transferred to the Refund Account.
10. Within 12 Days from the Bid/Issue Closing Date, the Registrar to the Issue shall dispatch all refund amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation/Allotment to the Bidders.
11. Payments should be made by cheque, or demand draft drawn on any bank (including a cooperative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash, stockinvest, money orders or postal orders will not be accepted.
12. In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Banks, such Bids are liable to be rejected.
13. Bidders are advised to mention the number of the Bid cum Application Form on the reverse of the cheque/demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.
14. In case of Bids by NRIs applying on a 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 the Non-Resident External (NRE) Accounts or the Foreign Currency Non-Resident ("FCNR") Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to the NRE Account or the FCNR Account.
15. In case of Bids by NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External ("NRE") Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a Non-Resident Ordinary ("NRO") Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

Payment by Stock invest

In terms of Reserve Bank of India Circular Number DBOD No. FSC BC 42/24.47.001/2003-04 dated

November 5, 2003, the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of bid money has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Payment by cash/ money order

Payment through cash/ money order shall not be accepted in this Issue.

Submission of Bid-cum-Application Form

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. With respect to ASBA Bidders, the ASBA Bid-cum-Application Form or the ASBA Revision Form shall be submitted to the Designated Branches of the SCSBs. No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Form or Revision Form by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

Other Instructions

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favor of the Bidder whose name appears first in the Bid-cum-Application Form/ASBA Bid-cum-Application-Form or Revision Form ('First Bidder') as the case may be. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the demographic details received from the Depository or otherwise.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Class I Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications will be checked for common PAN and Bids with common PAN will be identified as multiple unless they are from mutual funds for different schemes / plans or from portfolio managers registered as such with SEBI seeking to invest under different schemes / plans.
2. In case of a Mutual Fund/ a SEBI registered portfolio managers, a separate Bid can be made in respect of each scheme of the Mutual Funds/ scheme and such Bids in respect of more than one scheme will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Bids by QIBs under the Anchor Investor Portion and QIB Portion (excluding Anchor Investor Portion) will not be considered as multiple Bids.

Our Company in consultation with the BRLM reserves the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories.

After Bidding on an ASBA Bid-cum-Application Form either in physical or electronic mode, where such ASBA has been submitted to the Designated Branches of SCSBs and uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, on another ASBA Bid-cum-Application Form or a Bid-cum-Application Form. Submission of a second ASBA Bid-cum-Application Form, to either the same or to another Designated Branch of the SCSB/member of the Syndicate or a Bid-cum-Application Form, will be treated as multiple Bids and will be liable to be

rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Class I Equity Shares in this Issue. However, the ASBA Bidder can revise the Bid through the Revision Form, the procedure for which is detailed in “**Build up of the Book and Revision of Bids**” below.

More than one ASBA Bidder may Bid for Class I Equity Shares using the same ASBA Account, provided that the SCSBs shall not accept a total of more than five ASBA Bid-cum-Application Forms from such ASBA Bidders with respect to any single account. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple Bids are provided below:

1. All Bids with the same name and age, as the case may be, will be accumulated and taken to a separate process file which would serve as a multiple master.
2. A check will be carried out for the same PAN. In cases where the PAN is same, such Bids will be treated as multiple Bids.
3. Further, in the case of Mutual Fund Bidders and FII sub-accounts, Bids which use the same PAN, the Bid-cum-Application Forms will be scrutinised for DP ID and Beneficiary Account Numbers. In case such Bid-cum-Application Forms bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.
4. In cases where there are more than 20 valid applicants having a common address, such Class I Equity Shares Allotted in the Issue will be kept in abeyance, post-Allotment and released on confirmation of KYC norms by the depositories.

Permanent Account Number (“PAN”)

The Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act. Applications without this information and documents will be considered incomplete and are liable to be rejected. **It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.**

The demat accounts for Bidders for which PAN details have not been verified shall be “suspended credit” and no credit of Class I Equity Shares pursuant to the Issue shall be made into accounts of such Bidders. SEBI ICDR Regulations stipulate that all applicants are required to disclose their PAN allotted under the I.T. Act in the Bid-cum-Application Form (including the ASBA Form), irrespective of the amount of the Bid. Applications in which PAN so allotted is not mentioned would be rejected. SEBI had issued a circular directing that with effect from July 2, 2007, PAN would be the sole identifiable number for participants transacting in the securities market, irrespective of the amount of transaction.

Therefore, irrespective of the amount of the Bid, the Bidder or in the case of a Bid in joint names, each of the Bidders should mention his/her PAN allotted under the I.T. Act.

Bid-cum-Application Form or the ASBA Bid-cum-Application Form without PAN number will be considered incomplete and are liable to be rejected. In terms of SEBI Circular bearing no. MRD/DoP/Cir-20/2008 dated June 30, 2008, certain categories of investors (namely the Central Government, State Government, and the officials appointed by the courts e.g. Official liquidator, Court receiver etc. (under the category of Government) and residents of Sikkim for which submission of PAN is not mandatory) shall be exempted from submitting their PAN, only if such organisations submit sufficient documentary evidence to support the veracity of their claim for such exemption.

Unique Identification Number (“UIN”)

SEBI has, *vide* circular no. MRD/DoP/Cir- 05/2007 dated April 27, 2007, with effect from July 2, 2007 declared that the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Thus, the requirement of Unique Identification Number (UIN) under the SEBI (Central Database of market Participants Regulations), 2005/circulars by SEBI has been discontinued *vide* circular No. MRD/DoP/Cir- 08/2007 dated June 25, 2007.

Electronic Registration of Bids

- (a) The members of the Syndicate and the SCSBs will register the Bids received, except Bids received from Anchor Investors, using the online facilities of the Stock Exchanges. Details of Bids in the Anchor Investor Portion will not be registered on the online facilities of the Stock Exchanges. There will be at least 1 online connectivity in each city, where the Stock Exchanges are located in India and where such Bids are being accepted. A SCSB shall not upload bids received through any ASBA in the electronic bidding system of the Stock Exchanges unless:
- (i) it has received the ASBA Bid cum Application Form in a physical or electronic form; and
 - (ii) it has blocked the application money in the ASBA Account specified in the ASBA Bid cum Application Form or has systems to ensure that electronic ASBA Bid cum Application Form are accepted in the system only after blocking of application money in the relevant bank account opened with it.
- (b) The Stock Exchanges will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Syndicate Member, their authorized agents and the SCSBs during the Bid/Issue Period. The Syndicate and the Designated Branches can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on a regular basis.
- (c) On the Bid / Issue Closing Date, the members of the Syndicate and the Designated Branches of the SCSBs shall upload the Bids until such time as may be permitted by the Stock Exchanges. This information will be available with the BRLM on a regular basis. In order to ensure that the data uploaded is accurate, the Syndicate may be permitted one Working Day after the Bid/Issue Closing Date to amend some of the data fields (currently DP ID, Client ID) entered by them in the electronic bidding system. Bidders are cautioned that a high inflow of Bids typically experienced on the last Working Day of the Bidding may lead to some Bids received on the last Working Day not being uploaded due to lack of sufficient uploading time, and such Bids that could not be uploaded will not be considered for allocation. Bids will only be accepted on Working Days, *i.e.*, Monday to Friday (excluding any public holiday).
- (d) Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges a graphical representation of consolidated demand and price would be made available at the bidding centres and at the websites of each of the Stock Exchanges during the Bid/Issue Period along with category wise details.
- (e) At the time of registering each Bid (other than ASBA Bids) the Syndicate shall enter the following details of the Bidder in the on- line system:
- Name of the Bidder(s): Bidders should ensure that the name given in the Bid-cum-Application Form is exactly the same as the name in which the Depository Account is held. In case the Bid-cum-Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid-cum-Application Form;
 - Investor Category such as Individual, Corporate, NRI, etc.;
 - Numbers of Class I Equity Shares Bid for;
 - Bid price and price option;
 - Bid-cum-Application Form number;
 - DP ID Number and Client Identification Number of the Demat Account of the Bidder;
 - PAN; and
 - Cheque amount and Cheque Number.

With respect to ASBA Bids, at the time of registering each Bid, the Designated Branches of the SCSBs/members of the Syndicate shall enter the following information pertaining to the Bidder into the electronic bidding system:

- Name of the Bidder(s);

- Application Number;
 - PAN (of First Bidder if more than one Bidder) ;
 - Investor Category and Sub-Category;
 - Employee/shareholder (if reservation);
 - Demat ID and client identification number;
 - Beneficiary Account Number;
 - Quantity;
 - Price;
 - Bank Account Number;
 - Cheque Amount; and
 - Cheque number.
- (f) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. **It is the Bidder's responsibility to request and obtain the TRS from the members of the Syndicate or the Designated Branches of the SCSBs.** The registration of the Bid by the Syndicate or the Designated Branches of the SCSBs does not guarantee that the Class I Equity Shares shall be allocated either by the Syndicate or our Company.
- (g) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (h) The members of the Syndicate can reject the Bids under the Non-Institutional Portion and Retail Individual Portion on the technical grounds listed in the Red Herring Prospectus. The SCSB shall have no right to reject Bids except on technical grounds.
- (i) It is to be distinctly understood that 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 the BRLM are cleared or approved by the NSE and the BSE; 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 Promoters, our Management or any scheme or project of our Company nor does it in any manner warrant, certify or endorse the correctness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that the Class I Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
- (j) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for Allocation/ Allotment. Members of the Syndicate will be given up to one day after the Bid/Issue Closing Date to verify DP ID and Client ID uploaded in the online IPO system during the Bid/Issue Period after which the data will be sent to the Registrar for reconciliation and Allotment of Class I Equity Shares. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate or the Designated Branches, the decision of our Company, in consultation with the BRLM and the Registrar, based on the physical records of Bid Application Form shall be final and binding on all concerned. If the Syndicate Member finds any discrepancy in the DP name, DP ID and the client ID, the Syndicate will correct the same and the send the data to the Registrar for reconciliation and Allotment of Class I Equity Shares.
- (k) Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of electronic facilities of BSE and NSE. Anchor Investors cannot use the ASBA process and should approach the BRLM to submit their Bids.
- (l) It is to be noted that Syndicate Members shall be responsible for any error in the Bid details uploaded by them. In case of apparent data entry error by either Syndicate Member or collecting bank in entering the application number in their respective schedules other things remaining unchanged, the Bid may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s). In the event of mistake in capturing the application number by either the Syndicate Member or collecting bank leading to rejection of Bid, the Registrar may identify based on the Bid form, the entity responsible for the error. Valid records in electronic file will be those for which money is received.

Build Up of the Book and Revision of Bids

1. Bids registered by various Bidders through the members of the Syndicate and SCSBs shall be electronically transmitted to the BSE or NSE mainframe on a regular basis.
2. The book gets built up at various price levels. This information will be available with the BRLM on a regular basis at the end of the Bid/Issue Period.
3. During the Bidding/Issue Period, any Bidder who has registered his or her interest in the Class I Equity Shares at a particular price level is free to revise his or her Bid within the price band using the printed Revision Form, which is a part of the Bid-cum-Application Form/ ASBA Bid-cum-Application Form.
4. Revisions can be made in both the desired number of Class I Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form/ ASBA Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has bid for three options in the Bid-cum-Application Form/ ASBA Bid-cum-Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed, in the Revision Form. Incomplete or inaccurate Revision Form will not be accepted by the members of the Syndicate and the Designated Branches of the SCSBs.
5. The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) of the Bid, the Bidders will have to use the services of the same members of the Syndicate or the SCSB through whom the Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof. The QIBs cannot withdraw their Bids after Bid/Issue Closing Date.
6. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder wants to continue to Bid at Cut-off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non- Institutional Portion in terms of this Draft Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Class I Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.
7. In case of a downward revision in the Price Band, announced as above and Retail Individual Bidders who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.
8. Our Company in consultation with the BRLM shall decide the minimum number of Class I Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ [●] to ₹ [●].
9. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. Retail Individual Bidders Bidding in such categories should note that the revised amount should not exceed ₹ 200,000. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus. With respect to ASBA Bids, if revision of the Bids results in an

incremental amount, the relevant SCSB shall block the additional Bid amount. In case of Bids other than ASBA Bids, the members of the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions. In such cases the members of the Syndicate will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the basis of Allotment.

10. When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the Syndicate Member. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.
11. In case of discrepancy of data between BSE or NSE and the Syndicate Member, the decision of the BRLM based on physical records of Bid cum Application Form shall be final and binding to all concerned.

Price Discovery and Allocation

After the Bid/Issue Closing Date, the BRLM will analyze the demand generated at various price levels and discuss pricing strategy with our Company. The Registrar to the Issue shall aggregate the demand generated under the ASBA and provide the same to the BRLM. Our Company, in consultation with the BRLM, shall finalise the Issue Price, the number of Class I Equity Shares to be allotted and the allocation to successful Bidders. The Anchor Investor Price shall also be finalised by our Company in consultation with the BRLM.

1. Not more than 50% of the Net Issue (including 5% specifically reserved for Mutual Funds) would be available for allocation on a proportionate basis after consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price. Upto 30% of the QIB Portion shall be available for allocation to Anchor Investors and one-third of the Anchor Investor Portion shall be available for allocation to domestic Mutual Funds.
2. Not less than 15% and 35% of the Net Issue, would be available for allocation on a proportionate basis to Non- Institutional Bidders and Retail Individual Bidders, respectively, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
3. Under-subscription, if any, in any category would be allowed to be met with spillover from any of the other categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange. However, if the aggregate demand by Mutual Funds is less than [•] Class I Equity Shares, the balance Class I Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB Portion has not been met, under-subscription, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM and Designated Stock Exchange.
4. Under-subscription in the Anchor Investor Portion would be met with a spill-over to the QIB Portion. If one-third of the Anchor Investor Portion, available for allocation to domestic Mutual Funds, is not subscribed, the same shall be met by a spillover from the Anchor Investor Portion or the QIB Portion (excluding Anchor Investor Portion), if the Anchor Investor Portion is undersubscribed.
5. Allocation to eligible NRIs or FIIs or foreign venture capital fund registered with SEBI, multilateral and bilateral development financial institutions applying on repatriation basis will be subject to the Applicable Law.
6. Our Company reserves the right to cancel this Issue any time after the Bid/Issue Closing Date but before Allotment without assigning any reasons whatsoever. If our Company withdraws from the Issue, it shall issue a public notice that shall include reasons for such withdrawal

within two days of the closure of the Issue. The notice of withdrawal shall be issued in the same newspapers where the pre-Issue advertisements have appeared and our Company shall also promptly inform the Stock Exchanges. If our Company withdraws the Issue after the Bid / Issue Closing Date and thereafter determines that it will proceed with an initial public offering of Class I Equity Shares, it shall file a fresh draft red herring prospectus with the SEBI.

7. The BRLM in consultation with our Company shall notify the members of the Syndicate of the Issue Price and allocations to Anchor Investors, where the full Bid Amount has not been collected from the Anchor Investors due to the Issue Price being higher than the Anchor Investor Issue Price.
8. In terms of SEBI ICDR Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the QIB Bid/ Issue Closing Date. Further, Anchor Investors shall not be allowed to withdraw their Bid after the Anchor Investor Bidding Date.
9. If an ASBA Bidder wants to withdraw the ASBA Bid cum Application Form during the Bidding Period, the ASBA Bidder shall submit the withdrawal request to a Syndicate member the SCSB, which shall perform the necessary actions, including deletion of details of the withdrawn ASBA Bid cum Application Form from the electronic bidding system of the Stock Exchanges and unblocking of funds in the relevant bank account.
10. If an ASBA Bidder wants to withdraw the ASBA Bid cum Application Form after the Bid / Issue Closing Date, the ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue before finalization of basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB once the basis of Allotment has been approved by the Designated Stock Exchange.
11. Allotment status details shall be available on the website of the Registrar to the Issue.
12. The BRLM, in consultation with our Company, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders.
13. Our Company, in consultation with the BRLM, reserves the right to reject any Bid procured from QIB Bidders, by any or all members of the Syndicate. Rejection of Bids made by QIBs, if any, will be made at the time of submission of Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing.
14. The Basis of Allotment shall be put up on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

1. Our Company, the BRLM and the Syndicate Members shall enter into an Underwriting Agreement on finalization of the Issue Price and allocation(s) to the Bidders.
2. After signing the Underwriting Agreement, our Company and the BRLM would update and file the updated Red Herring Prospectus with RoC, in terms of Section 56, 60 and 60B of the Companies Act, which would then be termed the 'Prospectus'. The Prospectus will contain details of the Issue Price, Issue Size, underwriting arrangements and will be complete in all material respects.

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.

Public Announcement upon filing of this Draft Red Herring Prospectus

Pursuant to the filing of this Draft Red Herring Prospectus with SEBI, our Company shall on the next day, make a Public Announcement in one English and one Hindi national newspaper and in one Tamil newspaper (regional language newspaper in the state of Tamil Nadu where our Registered Office is located) with wide circulation. This Public Announcement, subject to the provisions of Section 60 of the Companies Act, shall invite public to give their comments to SEBI in respect of disclosures made in this Draft Red Herring Prospectus.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one Tamil language daily newspaper, each with wide circulation in which the Public Announcement upon filing of this Draft Red Herring Prospectus have been published.

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by our Company after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price along with a table showing the number of Class I Equity Shares and the amount payable by an investor. Any material updates between the Red Herring Prospectus and the Prospectus will be included in such statutory advertisement.

Issuance of Allotment Advise

1. Upon approval of basis of Allotment by the Designated Stock Exchange and on Allotment by the Board of Directors or any committee constituted thereof, the Registrar to the Issue shall send to the members of the Syndicate and SCSBs a list of their Bidders who have been allocated Class I Equity Shares in the Issue.
2. The approval of the basis of allocation by the Designated Stock Exchange for QIB Bidders (including Anchor Investors) may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. However, Bidders should note that our Company shall ensure that the date of Allotment of the Class I Equity Shares to all Bidders in this Issue shall be done on the same date.
3. The Registrar to the Issue will then dispatch the Allotment Advise/CAN to the Bidders who have been Allotted Class I Equity Shares in the Issue. The dispatch of the Allotment Advise shall be deemed a valid, binding and irrevocable contract for the Bidders who have been Allotted Class I Equity Shares in the Issue.
4. Bidders who have been Allotted Class I Equity Shares shall receive the allotment advice from the Registrar to the Issue.
5. The Issuance of Allotment Advise is subject to “Notice to Anchor Investors - Allotment Reconciliation and Revised CANs” as set forth below.

Notice to Anchor Investors: Allotment Reconciliation and Revised CANs

After the Anchor Investor Bidding Date, a physical book will be prepared by the Registrar on the basis of the Bid-cum-Application Forms received from Anchor Investors. Based on the physical book and at the discretion of our Company and the BRLM, select Anchor Investors may be sent a CAN, within two Working Days of the Anchor Investor Bid/ Issue Period, indicating the number of Class I Equity Shares that may be allocated to them shall constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the Anchor Investor. This provisional CAN and the final allocation is subject to the physical application being valid in all respect along with receipt of stipulated documents being received from Registrar to the Issue, the Issue Price being finalised at a price not higher than the Anchor Investor Issue Price and Allotment by the Board of Directors. In the event that the Issue Price is higher than the Anchor Investor Issue Price, a revised CAN will be sent to Anchor Investors. The price of Class I Equity Shares in such revised CAN shall be different from that specified in the earlier

CAN. Anchor Investors should note that they shall be required to pay additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within two Days after the Bid/ Issue Closing Date. Any revised CAN, if issued, will supersede in entirety the earlier CAN.

Unblocking of ASBA Account

Once the basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue shall provide the following details to the Controlling Branches of each SCSB, along with instructions to unblock the relevant bank accounts and transfer the requisite money to the Public Issue Account designated for this purpose within the timelines specified in the ASBA facility: (i) the number of Class I Equity Shares to be Allotted against each valid ASBA Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each valid ASBA Bid, (iii) the date by which funds referred to in (ii) above shall be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn and/or unsuccessful ASBA Bids, if any, to enable SCSBs to unblock the respective bank accounts. On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and shall unblock the excess amount, if any, in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of notification from the Registrar to the Issue by the Controlling Branch of the SCSB in relation to the approval of the basis of Allotment in the Issue by the Designated Stock Exchange in the event of withdrawal or failure of the Issue or rejection of the ASBA Bid, as the case may be.

Issuance of Allotment Advise to ASBA Bidders

Upon approval of the basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send the Controlling Branches, a list of the ASBA Bidders who have been allocated Class I Equity Shares in the Issue, along with:

1. The number of Class I Equity Shares to be allotted against each successful ASBA;
2. The amount to be transferred from the ASBA Account to the Public Issue Account, for each successful ASBA;
3. The date by which the funds referred to in sub-para (ii) above, shall be transferred to the Public Issue Account; and
4. The details of rejected ASBAs, if any, along with reasons for rejection and details of withdrawn/ unsuccessful ASBAs, if any, to enable SCSBs to unblock the respective ASBA Accounts.
5. Investors should note that our Company shall ensure that the instructions by our Company for demat credit of the Class I Equity Shares to all investors in this Issue shall be given on the same date.

The ASBA Bidders shall directly receive the Allotment Advise from the Registrar. The dispatch of an Allotment Advise to an ASBA Bidder shall be deemed a valid, binding and irrevocable contract with the ASBA Bidder.

Designated Date and Allotment of Class I Equity Shares

1. Our Company will ensure that (i) Allotment of Class I Equity Shares; and (ii) credit to the successful Bidder's depository account will be completed prior to the twelfth (12th) Working Day of the Bid/Issue Closing Date.
2. As per SEBI ICDR Regulations, Class I Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allotees. Allotees will have the option to re-materialise the Class I Equity Shares, if they so desire, in the manner stated in the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Class I Equity Shares that may be Allotted to them pursuant to this Issue.

Right to Reject Bids

In case of QIB Bidders, our Company, in consultation with the BRLM may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders and Retail Individual Bidders who Bid, our Company has a right to reject Bids on technical grounds. Consequent refunds shall be made by RTGS/NEFT/NECS/Direct Credit / cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk. With respect to ASBA Bids, the Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected, among others, on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Class I Equity Shares Bid for. With respect to Bids by ASBA Bidders, the amounts mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of the Class I Equity Shares Bid for;
- In case of partnership firms, Class I Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended including minors, insane persons;
- Application on plain paper;
- PAN not mentioned in the Bid-cum-Application Form;
- GIR number furnished instead of PAN;
- Bids for lower number of Class I Equity Shares than specified for that category of investors;
- Bids at a price less than the Floor Price;
- Bids at a price more than the Cap Price;
- Signature of sole and/or joint Bidders missing;
- Submission of more than five ASBA Bid cum Application Forms per bank account;
- Submission of Bids by Anchor Investors through ASBA process;
- Bids at Cut-off Price by Non-Institutional and QIB Bidders;
- Bids for number of Class I Equity Shares which are not in multiples of [●];
- Category not indicated;
- Multiple Bids as defined in this Draft Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;

- Bids accompanied by Stock invest/money order/postal order/cash;
- Bid-cum-Application Forms does not have the stamp of the BRLM or Syndicate Member or the SCSB;
- Bid-cum-Application Forms does not have the Bidder's depository account details;
- Bid-cum-Application Forms are not delivered by the Bidders within the time prescribed as per the Bid-cum- Application Forms, Bid/Issue Opening Date advertisement and this Draft Red Herring Prospectus and as per the instructions in this Draft Red Herring Prospectus and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches the Depository Participant's identity (DP ID) and the beneficiary's account number;
- With respect to Bids by ASBA Bidders, if there are inadequate funds in the bank account to block the Bid Amount specified in the ASBA Bid-cum-Application Form at the time of blocking such Bid Amount in the bank account;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Bank(s);
- Bids by QIBs not submitted through the BRLM or in case of ASBA Bids for QIBs (other than Anchor Investors) not intimated to the BRLM;
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Bids not uploaded on the terminals of the Stock Exchanges; and
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.

IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES BY THE SYNDICATE/THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITARIES, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.

Basis of Allotment

For Retail Individual Bidders

1. Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
2. The Net Issue less allotment to Non-Institutional and QIB Bidders shall be available for allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
3. If the aggregate demand in this category is less than or equal to [•] Class I Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

4. If the aggregate demand in this category is greater than [•] Class I Equity Shares at or above the Issue Price, the allotment shall be made on a proportionate basis of not less than [•] Class I Equity Shares. For the method of proportionate basis of allotment, refer below.

For Non-Institutional Bidders

1. Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
2. The Net Issue Size less allotment to QIBs and Retail Portion shall be available for allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
3. If the aggregate demand in this category is less than or equal to [•] Class I Equity Shares at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their demand.
4. In case the aggregate demand in this category is greater than [•] Class I Equity Shares at or above the Issue Price, allotment shall be made on a proportionate basis not less than [•] Class I Equity Shares. For the method of proportionate basis of allotment refer below.

For Qualified Institutional Bidders

1. Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIB Bidders will be made at the Issue Price.
2. The QIB Portion shall be available for allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
3. Allotment shall be undertaken in the following manner:
 - (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion (excluding the Anchor Investor Portion, if any) shall be determined as follows:
 - (i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion (excluding the Anchor Investor Portion, if any), allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion (excluding the Anchor Investor Portion, if any).
 - (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion (excluding the Anchor Investor Portion, if any) then all Mutual Funds shall get full allotment to the extent of valid Bids received above the Issue Price.
 - (iii) Class I Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for allotment to all QIB Bidders as set out in (b) below:
 - (b) In the second instance Allotment to all QIBs shall be determined as follows:
 - (i) In the event that the oversubscription in the QIB Portion (excluding the Anchor Investor Portion, if any), all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Class I Equity Shares on a proportionate basis for up to 95% of the QIB Portion.
 - (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Class I Equity Shares Bid for by them, are eligible to receive Class I Equity Shares on a proportionate basis along with other QIB Bidders(excluding the Anchor Investor Portion).

- (iii) Under-subscription below 5% of the QIB Portion (excluding the Anchor Investor Portion, if any), if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

The aggregate allotment available for allocation to QIB Bidders shall not be more than [•] Class I Equity Shares.

For Anchor Investor Portion

Allocation of Class I Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of our Company, in consultation with the BRLM subject to compliance with the following requirements:

1. not more than 30% of the QIB Portion will be allocated to Anchor Investors;
2. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors;
3. Allocation to Anchor Investors shall be on a discretionary basis and subject to a minimum number of two Anchor Investors for allocation upto ₹ 25,000 Lakhs and five where the allocation is above ₹ 25,000 Lakhs.
4. Minimum Bid should be ₹ 1,000 Lakhs.

The number of Class I Equity Shares Allotted to Anchor Investors and the Anchor Investor Issue Price, shall be made available in the public domain by the BRLM before the Bid/ Issue Opening Date by intimating the Stock Exchanges.

Method of proportionate basis of allotment in this Issue

Except in relation to Anchor Investors, in the event of this Issue being over-subscribed, our Company and the BRLM shall finalise the basis of allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrar to the Issue shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner.

Except in relation to Anchor Investors, the allotment shall be made in marketable lots, on a proportionate basis as explained below:

1. Bidders will be categorised according to the number of Class I Equity Shares applied for;
2. The total number of Class I Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Class I Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Class I Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
3. Number of Class I Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Class I Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
4. In all Bids where the proportionate Allotment is less than [•] Class I Equity Shares per Bidder, the allotment shall be made as follows:
 - i. Each successful Bidder shall be allotted a minimum of [•] Class I Equity Shares; and
 - ii. The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Class I Equity Shares allotted in that category is equal to the number of Class I Equity Shares calculated in accordance with (b) above.
5. If the proportionate allotment to a Bidder is a number that is more than [•] but is not a multiple of one (which is the marketable lot), the number in excess of the multiple of one would be

rounded off to the higher multiple of one if that number is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower multiple of one. All Bidders in such categories would be Allotted Class I Equity Shares arrived at after such rounding off.

6. If the Class I Equity Shares allocated on a proportionate basis to any category are more than the Class I Equity Shares allotted to the Bidders in that category, the remaining Class I Equity Shares available for allotment shall be first adjusted against any other category, where the allotted shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Class I Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Class I Equity Shares.
7. Subject to valid Bids being received, allocation of Class I Equity Shares to Anchor Investors shall be at the sole discretion of our Company, in consultation with the BRLM.

Illustration of Allotment to QIBs and Mutual Funds (“MF”)

A. Issue Details

Sr. No.	Particulars	Issue details
1.	Issue size	20,000 Lakhs Class I Equity Shares
2.	Allocation to QIB (50%)	10,000 Lakhs Class I Equity Shares
3.	Anchor Investor Portion	3,000 Lakhs Class I Equity Shares
4.	Portion available to QIBs other than Anchor Investors [(2) minus (3)]	7,000 Lakhs Class I Equity Shares
	Of which:	
	a. Allocation to MF (5%)	350 Lakhs Class I Equity Shares
	b. Balance for all QIBs including MFs	6,650 Lakhs Class I Equity Shares
3	No. of QIB applicants	10
4	No. of shares applied for	50,000 Lakhs Class I Equity Shares

B. Details of QIB Bids

Sr. No.	Type of QIB Bidders[#]	No. of Class I Equity Shares bid for (in Lakhs)
1	A1	5,000
2	A2	2,000
3	A3	13,000
4	A4	5,000
5	A5	5,000
6	MF1	4,000
7	MF2	4,000
8	MF3	8,000
9	MF4	2,000
10	MF5	2,000
	Total	50,000

[#] A1-A5: (QIB Bidders other than MFs), MF1-MF5 (QIB Bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/ Applicants

(Number of Class I Equity Shares in Lakhs)

Type of QIB Bidders	Class I Equity Shares bid for	Allocation of 350 Lakhs Class I Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 6,650 Lakhs Class I Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	(II)	(III)	(IV)	(V)

Type of QIB Bidders	Class I Equity Shares bid for	Allocation of 350 Lakhs Class I Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 6,650 Lakhs Class I Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
A1	500	0	665	0
A2	200	0	266	0
A3	1,300	0	1,729	0
A4	500	0	665	0
A5	500	0	665	0
MF1	400	70	532	602
MF2	400	70	532	602
MF3	800	140	1,064	1,204
MF4	200	35	266	301
MF5	200	35	266	301
	5,000	350	6,650	3,010

Please note:

1. The illustration presumes compliance with the requirements specified in this Draft Red Herring Prospectus in the Chapter titled “**Issue Structure**” beginning on page 240.
2. Out of 7,000 Lakhs shares allocated to QIBs, 350 Lakhs (i.e. 5%) will be allocated on proportionate basis among 5 Mutual Fund applicants who applied for 2,000 Lakhs shares in QIB category.
3. The balance 6,650 Lakhs shares (i.e. 7,000 - 350 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 5,000 Lakhs shares (including 5 MF applicants who applied for 2,000 Lakhs shares).
4. The figures in the fourth column titled “Allocation of balance 6,650 Lakhs shares to QIBs proportionately” in the above illustration are arrived as under:
 - (a) For QIBs other than Mutual Funds (A1 to A5)= No. of shares bid for (i.e. in column II) X 665 / 4,965;
 - (b) For Mutual Funds (MF1 to MF5)= [(No. of shares bid for (i.e. in column II of the table above) less Class I Equity Shares allotted (i.e., column III of the table above)] X 79.80/495.80; and
 - (c) The numerator and denominator for arriving at allocation of 6,650 Lakhs shares to the 10 QIBs are reduced by 350 Lakhs shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

Letters of Allotment/ Allotment Advise or refund orders to Bidders or instructions to the SCSBs

Our Company shall give credit to the beneficiary account with Depository Participants within two (2) Working Days from the date of allotment to all successful Bidders, including ASBA Bidders, which in any event shall be completed prior to twelve (12) Working Days from the Bid/Issue Closing Date. Applicants residing at the centers where clearing houses are managed by the RBI, will get refunds through NECS except where applicant is otherwise disclosed as eligible to get refunds through Direct Credit, NEFT or RTGS. In case of other applicants, our Company shall ensure dispatch of refund orders if any, by registered post or speed post at the sole or First Bidder’s sole risk prior to twelve (12) Working Days from the Bid/Issue Closing Date. Bidders 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 prior to twelve (12) Working Days from the Bid/Issue Closing Date. In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Form for withdrawn, rejected or unsuccessful or partially successful ASBA Bids prior to twelve (12) Working Days from the Bid/Issue Closing Date.

In accordance with the requirements of the Stock Exchanges and SEBI ICDR Regulations, our Company undertakes that:

- Allotment shall be made only in dematerialised form prior to twelve (12) Working Days from the Bid/Issue Closing Date;
- Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or NECS, shall be done prior to twelve (12) Working Days from the Bid/Issue Closing Date;
- Instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn rejected or unsuccessful Bids shall be made prior to twelve (12) Working Days from the Bid/Issue Closing Date; and
- Our Company shall, in accordance with Regulation 18 of the SEBI ICDR Regulations, pay interest at 15% p.a. if the allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or NECS, the refund instructions have not been given to the clearing system in the disclosed manner prior to the twelve (12) days from the Bid/Issue Closing Date or 8 days after the day our Company becomes liable to repay, whichever is earlier, provided that the beneficiary particulars relating to such Bidders as given by the Bidders is valid at the time of the upload of the electronic transfer or if instructions to SCSBs to unblock funds in the ASBA Accounts are not given prior to the twelve (12) days from the Bid/Issue Closing Date or 8 days after the day our Company becomes liable to repay, whichever is earlier.

Our Company will provide adequate funds required for despatch 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 the Escrow Collection Bank(s) and payable at par at places where Bids are received. The bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.*

Bidder's PAN, Bidder's Depository Account and Bank Account Details

Bidders should note that on the basis of the Sole/First Bidder's Permanent Account Number, Depository Participant's name, DP ID number and beneficiary account number provided by them in the Bid cum Application Form and as entered into the electronic bidding system of the Stock Exchanges by the members of the Syndicate and the SCSBs as the case may be, the Registrar to the Issue will obtain from the Depository the demographic details including the Bidder's address, occupation, category, age and bank account details including the nine-digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf ('**Demographic Details**'). These Demographic Details would be used for giving refunds and allotment advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) to the Bidders. It is mandatory to provide the bank account details in the space provided in the Bid cum Application Form / ASBA Bid cum Application Form and Bid cum Application Forms / ASBA Bid cum Application Forms that do not contain such details are liable to be rejected. Hence, Bidders are advised to immediately update their bank account details, PAN and Demographic Details as appearing on the records of the Depository Participant and ensure that they are true and correct. Failure to do so could result in delays in dispatch/credit of refunds to Bidders at the Bidders sole risk and neither the BRLM nor the Registrar to the Issue or the Escrow Collection Banks or the SCSBs nor our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their depository account details in the Bid cum Application Form. Please note that in case the DP ID, Client ID and PAN mentioned in the Bid cum Application Form / ASBA Bid cum Application Form and entered into the electronic Bidding system of the Stock Exchanges by the members of the Syndicate, do not match with the DP ID, Client ID and PAN available in the depositories' database, such Bid cum Application Form / ASBA Bid cum Application Form is liable to be rejected.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR CLASS I EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID-CUM-APPLICATION FORM/ ASBA- BID-CUM-APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID-CUM-APPLICATION FORM/ ASBA BID-CUM-APPLICATION FORM AS THE CASE MAY BE IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID-CUM-APPLICATION FORM/

ASBA BID-CUM-APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID-CUM-APPLICATION FORM/ ASBA BID-CUM-APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/Allocation Advice and making refunds as per the modes disclosed and the Demographic Details given by Bidders in the Bid-cum-Application Form would not be used for these purposes by the Registrar. Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct. By signing the Bid-cum-Application Form, Bidder would have deemed to authorize the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

In case of Bidders 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 Bidder in the Bid-cum-Application Form/ ASBA Bid-cum-Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither our Company, the Registrar, Escrow Collection Bank(s) nor the BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, PAN of the sole/first Bidders, the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

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 Bidders 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 Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for eligible NRIs and FIIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Class I Equity Shares in Dematerialized Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Class I Equity Shares in this Issue shall be allotted only in a dematerialized 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 us, the respective Depositories and the Registrar to the Issue:

1. a tripartite agreement dated [●], 2011 with NSDL, our Company and Registrar to the Issue;
2. a tripartite agreement dated [●], 2011 with CDSL, our Company and Registrar to the Issue.

All Bidders can seek Allotment only in dematerialized mode. Bids from any investor without relevant details of his or her depository account are liable to be rejected.

1. Bidder applying for Class I Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.
2. The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Bid-cum-Application Form/ASBA Bid-cum-Application Form or Revision Form.
3. Class I Equity Shares allotted to a successful Bidder will be credited in electronic form

directly to the beneficiary account (with the Depository Participant) of the Bidder.

4. Names in the Bid-cum-Application Form/ASBA Bid-cum-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. Non-transferable allotment advice will be directly sent to the Bidder by the Registrar to this Issue. Refunds will be made directly by the Registrar to the Issue as per the modes disclosed.
6. If incomplete or incorrect details are given under the heading 'Request for Class I Equity Shares in electronic form' in the Bid-cum-Application Form, ASBA Bid-cum-Application Form or Revision Form, it is liable to be rejected.
7. The Bidder is responsible for the correctness of his or her demographic details given in the Bid-cum-Application Form or ASBA Bid-cum-Application Form vis-à-vis those with his or her Depository Participant.
8. It may be noted that Class I 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 the Class I Equity Shares of our Company are proposed to be listed have electronic connectivity with CDSL and NSDL.
9. The trading of the Class I Equity Shares of our Company on the Stock Exchanges would be in dematerialized form only for all investors.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid-cum-Application Form number, number of Class I Equity Shares applied for, date, bank and branch where the Bid was submitted and cheque, number and issuing bank thereof or with respect to ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

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 Class I Equity Shares in the respective beneficiary accounts, refund orders etc. For details regarding the Compliance Officer or the Registrar to the Issue please refer to the Chapter titled "General Information" beginning on page 43.

In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the Designated Branches.

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:

1. makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein; or
2. 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".

PAYMENT OF REFUND

Bidders other than ASBA Bidders must note that on the basis of the names of the Bidders, Depository

Participant's name, DP ID, Beneficiary Account number provided by them in the Bid-cum-Application Form/ASBA Bid-cum-Application Form, the Registrar to the Issue will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Bidders 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 Bidders' sole risk and neither our Company, the Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue nor the BRLM shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In the case of Bids from eligible NRIs and FIIs, 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 Bidders 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 Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Mode of making refunds

Mode of making refunds for Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through various modes in the following order of preference:

1. NECS – Payment of refund would be done through NECS for Bidders having an account at any of the centers specified by the RBI. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the centers where such facility is made available, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS.
2. Direct Credit – Applicants having bank accounts with the Refund Bank (s), as mentioned in the Bid-cum-Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.
3. RTGS – Applicants having a bank account at any of the centers where such facility is available and whose refund amount exceeds ₹ 2 Lakhs has 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 Bid-cum-Application Form. In the event the same is not provided, refund shall be made through NECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.
4. NEFT – 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. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

For all other applicants, including those who have not updated their bank particulars with the MICR

code, the refund orders will be dispatched through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid-cum-Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids prior to twelve (12) Working Days of the Bid/Issue Closing Date.

Interest on refund of excess Bid Amount

Our Company shall pay interest at the rate of 15% p.a. on the excess Bid Amount received if refunds are not made within a period of 12 days from the Bid / Issue Closing Date.

Disposal of Applications and Application Moneys and Interest in case of delay

With respect to Bidders other than ASBA Bidders, our Company shall ensure dispatch of Allotment Advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give credit of Class I Equity Share allotted to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within two (2) Working Days from the date of allotment to all successful Bidders, including ASBA Bidders, which in any event shall be undertaken prior to twelve (12) Working Days of the Bid/ Issue Closing Date.

In case of applicants who receive refunds through NECS, direct credit, NEFT or RTGS, the refund instructions will be given to the clearing system prior to twelve (12) Working Days from the Bid/ Issue Closing Date. In case of other applicants, our Company shall ensure dispatch of refund orders if any, by registered post or speed post at the sole or First Bidder's sole risk prior to twelve (12) Working Days from the Bid/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 prior to twelve (12) Working Days of Bid/ Issue Closing date. Our Company shall ensure dispatch of refund orders, if any, by registered post or speed post or Direct Credit, NEFT, RTGS or NECS, as applicable, only at the sole or First Bidder's sole risk prior to Twelve (12) Working Days of the Bid/ Issue Closing Date, and adequate funds for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer. Our Company shall ensure dispatch of allotment advice, refund orders and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within two (2) Working Days of date of Allotment.

Letters of Allotment or Refund Orders or instructions to the SCSBs

In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid-cum-Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids prior to twelve (12) Working Days from the Bid/Issue Closing Date, which shall be completed within one Working Day after the receipt of such instruction from the Registrar to the Issue.

Interest in case of delay in dispatch of Allotment Letters or Refund Orders/ instruction to SCSB by the Registrar

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI ICDR Regulations our Company further undertakes that:

- Allotment shall be made only in dematerialised form prior to twelve (12) Working Days from the Bid/Issue Closing Date;
- Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or NECS, shall be done prior to twelve (12) Working Days from the Bid/Issue Closing Date;

- Instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn rejected or unsuccessful Bids shall be made prior to twelve (12) Working Days from the Bid/Issue Closing Date; and
- Our Company shall, in accordance with Regulation 18 of the SEBI ICDR Regulations, pay interest at 15% p.a. if the allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or NECS, the refund instructions have not been given to the clearing system in the disclosed manner prior to the twelve (12) days from the Bid/Issue Closing Date or 8 days after the day our Company becomes liable to repay, whichever is earlier, provided that the beneficiary particulars relating to such Bidders as given by the Bidders is valid at the time of the upload of the electronic transfer or if instructions to SCSBs to unblock funds in the ASBA Accounts are not given prior to the twelve (12) days from the Bid/Issue Closing Date or 8 days after the day our Company becomes liable to repay, whichever is earlier.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by us, as an Escrow Collection Bank and payable at par at places where Bids are received, except for Bidders who have opted to receive refunds through the Direct Credit, NEFT, RTGS or NECS facility. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Our Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Undertaking by the Company

We undertake as follows:

1. that the complaints received in respect of this Issue shall be attended to expeditiously and satisfactorily;
2. that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Class I Equity Shares are proposed to be listed within seven Working Days of finalization of the Basis of Allotment or twelve (12) Working Days from the Bid/ Issue Closing Date, whichever is earlier;
3. that the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post 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 days of the Bid/ 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 our Promoters' contribution in full has already been brought in;
6. That the certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within specified time;
7. That no further issue of Class I Equity Shares shall be made till the Class I Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and

8. That, adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the Basis of Allotment.

Withdrawal of the Issue

Our Company, in consultation with the BRLM and in accordance with the SEBI ICDR Regulations, reserves the right not to proceed with this Issue at any time after the Bid/Issue Opening Date but before the Allotment, without assigning any reason thereof. In such an event our Company shall issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two Working Days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. The BRLM, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the day of receipt of such notification. Our Company shall also inform the same to Stock Exchanges on which the Class I Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for only after Allotment and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

In the event of withdrawal of this Issue anytime after the Bid/Issue Opening Date, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after our Company become liable to repay it, i.e. from the date of withdrawal, then our Company, on and from the expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money.

In the event that our Company decides not to proceed with this Issue after Bid/ Issue Closing Date and thereafter determines that it will proceed with an initial public offering of its Class I Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

Utilization of the Fresh Issue proceeds

The Board of Directors of our Company certifies that:

1. all monies received out of this Issue shall be transferred to a separate Bank Account other than the bank account referred to in Sub-Section (3) of Section 73 of the Companies Act;
2. details of all monies utilized out of the Issue referred above shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
3. details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
4. Our Company shall comply with the requirements of Clause 49 of the Listing Agreement in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Class I Equity Shares from all the Stock Exchanges where listing is sought has been received.

The BRLM undertakes that the complaints or comments received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

SECTION IX – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION
IND ECO VENTURES LIMITED

Title of Article	Article Number and contents
Table "A" not to apply but company to be governed by these Articles	1. The regulations contained in Table "A" in the First Schedule of the Companies Act, 1956 shall not apply to this Company, but these Articles for the management of the Company and for the observance of the Members thereof and their representatives shall subject to any exercise of the statutory powers of the Company with reference to the repeal of, alteration of, or addition to, its regulations/Articles by Special Resolution, as prescribed by the Companies Act, 1956, be such as are contained in these Articles.

INTERPRETATION

Title of Article	Article Number and Contents
Interpretation Clause	2. In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:
the Act	(a) "the Act" means the Companies Act, 1956 and includes any statutory modification or re-enactment thereof for the time being in force.
these Articles	(b) "these Articles" means Articles of Association for the time being or as altered from time to time by Special Resolution.
Auditors	(c) "Auditors" means and includes those persons appointed as such for the time being of the Company.
Board or Board of Directors	(d) "Board" or "Board of Directors" means the Board of Directors of the Company or the Directors of the Company collectively.
Capital	(e) "Capital" means the share capital for the time being raised or authorised to be raised for the purpose of the Company.
Chairman	(f) "Chairman" means the Chairman of the Board of Directors for the time being of the Company.
Charge	(g) "Charge" includes a mortgage.
Company	(h) "Company" means IND ECO VENTURES LIMITED.
Debenture	(i) "Debenture" includes Debenture Stock, bonds and any other securities of the Company, whether constituting a charge on the assets of the Company or not.
Directors	(j) "Directors" means the Board of Directors for the time being of the Company or as the case may be, the Directors assembled at a Board, or acting under a circular resolution under the Articles.
Director	(k) "Director" includes any person occupying the position of a director, by whatever name called including any member of the Board of Directors.
Dividend	(l) "Dividend" includes bonus unless otherwise stated.

Executor or Administrator	(m) "Executor" or "Administrator" means a person who has obtained probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include holder of a Succession Certificate authorising the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a certificate granted by the Administrator General under Section 31 of the Administrator General Act, 1963.
Gender	(n) Words importing the masculine gender shall be deemed to include the feminine gender and <i>vice versa</i> .
in Writing or Written	(o) "in Writing" and "Written" includes printing lithography and other modes of representing or reproducing words in a visible form.
Legal Representative	(p) "Legal Representative" means a person who in law represents the estate of a deceased Member.
Marginal Notes	(q) The marginal notes hereto shall not affect the construction thereof.
Members	(r) "Members" means the duly registered holders, from time to time of the Shares of the Company and includes the subscribers to the Memorandum of the Company.
Board Meeting or Meeting of Board	(s) "Board Meeting" or "Meeting of Board" means meeting of the Board of Directors held pursuant to the provisions of the Act and Article 193 to Article 196 of these Articles.
Annual General Meeting	(t) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of Section 166 of the Act and includes any adjourned holding thereof.
Extra-Ordinary General Meeting	(u) "Extra-Ordinary General Meeting" means an extraordinary general meeting of the Members duly called and constituted in accordance with the provisions of Section 169 of the Act, and any adjourned holding thereof.
General Meeting	(v) "General Meeting" means the Annual General Meeting and / or Extra- Ordinary General Meeting as the case maybe.
Memorandum	(w) "Memorandum" means the Memorandum of Association of the Company as originally framed and/or altered from time to time.
Month	(x) "Month" means a calendar month.
Office	(y) "Office" means the registered office for the time being of the Company.
Ordinary Resolution	(z) "Ordinary Resolution" shall have the meanings assigned to it by Section 189 (1) of the Act.
Paid-up	(aa) "Paid-up" includes capital credited as paid up.
Person	(ab) "Person" shall be deemed to include corporations, artificial persons, companies, associations of persons, society and firms as well as individuals.
Proxy	(ac) "Proxy" means any other person appointed by a Member of the Company, who is entitled to attend and vote at a General Meeting of the Company, to attend and vote instead of himself and as more particularly mentioned under Section 176 of the Act.
Public Holiday	(ad) "Public Holiday" means public holiday within the meaning of the Negotiable Instruments Act, 1881 provided that no date declared by the Central Government to be a public holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.
the Register of Members	(ae) "the Register of Members" means the register of members to be kept pursuant to Section 150 of the Act.
the Registrar	(af) "the Registrar means the Registrar, or an Additional, a Joint, a Deputy or an Assistant Registrar, of the state in which the Registered Office of Company is for the time being situated, having the duty of registering companies under the Act.
Seal	(ag) "Seal" means the common seal for the time being of the Company.
Secretary	(ah) "Secretary" means any individual possessing the prescribed qualifications under the Companies (Appointment and Qualifications of Secretary) Rules, 1988 appointed by the Board to perform the duties of a Secretary.
Shares	(ai) "Shares" means share in the share capital of the Company and includes stock where a distinction between stocks and share is expressed or implied and includes Class I and Class II equity shares except as may be otherwise specified.
Special Resolution	(aj) "Special Resolution" shall have the meanings assigned to it by Section 189(2) of the Act.
the Statutes	(ak) "the Statutes" means the Companies Act, 1956 and every other provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force affecting the Company.
Financial Year	(al) "Financial Year" shall have the meaning assigned thereto by Section 2 (17) of the Act.
Singular Number	(am) Words importing the Singular number include where the context admits or requires the plural number and <i>vice versa</i> .
these presents	(an) "these presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.
Variation	(ao) "Variation" shall include abrogation; and "vary" shall include abrogate.
Expressions in the Act to bear the same meaning in Articles	(ap) Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

Title of Article	Article Number and contents
** Share Capital	3. The authorised share capital of the Company shall be as per paragraph V of the Memorandum of Association of the Company with power to increase or reduce the share capital and to divide the shares in the capital for the time being into several classes and to

Title of Article	Article Number and contents
	<p>attach thereto respectively such preferential, or such other rights, privileges or conditions as may be determined in accordance with the regulations of the Company and to vary, modify, abrogate any such rights, privileges or conditions in such manner as may be provided by the regulations of the Company and consolidate, sub-divide the shares and issue shares of higher or lower denomination.</p> <p>Further, the Company may from time to time by Ordinary Resolution increase its authorised share capital by such sum and to be divided into Shares of such amount as may be specified in the resolution.</p>
Increase of Capital by the Company how carried into effect	4. The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.
New Capital same as existing Capital	5. Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new Shares shall be considered as part of the existing Capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
Non-voting Shares	6. The Board shall have the power to issue a part of authorised share capital by way of non-voting Shares at price(s) premium, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.
Redeemable preference shares	7. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company, liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.
Voting rights of preference shares	8. Subject to the provisions of the Companies Act, the holders of preference shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.
Provisions to apply on issue of redeemable preference shares	<p>9. On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect:</p> <p>(a) No such Shares shall be redeemed except out of profits of the Company which would otherwise be available for dividend or out of proceeds of a fresh issue of Shares made for the purpose of the redemption.</p> <p>(b) No such Shares shall be redeemed unless they are fully paid.</p> <p>(c) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed.</p> <p>(d) Where any such Shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided in Section 80 of the Act apply as if the Capital Redemption Reserve Account were paid-up Share Capital of the Company.</p> <p>(e) Subject to the provisions of Section 80 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf in such manner as the Directors may think fit.</p>
Reduction of capital	<p>10. The Company may (subject to the provisions of section 100 to 105, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce:</p> <p>a. the share capital;</p> <p>b. any capital redemption reserve account; or</p> <p>c. security premium account</p> <p>in any manner for the time being, authorised by law and in particular Capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>
Purchase of own Shares	11. The Company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its fully paid Shares whether or not they are redeemable and may make a payment out of Capital in respect of such purchase.
Sub-division, consolidation and cancellation of Shares	12. Subject to the provisions of Section 94 and other applicable provisions of the Act, the Company in General Meeting may, from time to time, sub-divide or consolidate its Shares, or any of them and the resolution whereby Class I Share is sub-divided may determine that, as between the holders of the Shares resulting from such sub-divisions, one or more of such Shares shall have some preference or special advantage as regards dividend, Capital or otherwise over or as compared with the other(s). Subject as aforesaid, the Company in General Meeting may also cancel Shares which have not been taken or agreed to be taken by any person and diminish the amount of its Share Capital by the

Title of Article	Article Number and contents
	amount of the Shares so cancelled.

MODIFICATION OF RIGHTS

Title of Article	Article Number and contents
Modification of rights	<p>13.</p> <p>Whenever the Capital, by reason of the issue of preference shares or otherwise, is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be varied with the consent in writing of the holders of not less than three-fourth of the issued Capital of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of Shares of that class, and all the provisions hereafter contained as to General Meeting shall <i>mutatis mutandis</i> apply to every such Meeting. This Article is not to derogate from any power the Company would have if this Article was omitted.</p> <p>The rights conferred upon the holders of the Shares (including preference shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of Shares of that class, be deemed not to be varied by the creation or issue of further Shares ranking <i>pari passu</i> therewith.</p>

SHARES, CERTIFICATES AND DEMATERIALISATION

Title of Article	Article Number and contents
Restriction on allotment and return of allotment	<p>14.</p> <p>The Board of Directors shall observe the restrictions on allotment of Shares to the public contained in Sections 69 and 70 of the Act, and shall cause to be made the returns as to allotment provided for in Section 75 of the Act.</p>
Further issue of shares	<p>15.</p> <ol style="list-style-type: none"> 1) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further Shares then: <ol style="list-style-type: none"> (a) Such further Shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those Shares at that date; (b) The offer aforesaid shall be made by a notice specifying the number of Shares offered and limiting a time not being less than fifteen days from the date of the offer and the offer, if not accepted, will be deemed to have been declined; (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to them in favour of any other person, and the notice referred to in sub-clause (b) shall contain a statement of this right; (d) After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose them off in such manner as they think most beneficial to the Company. 2) Notwithstanding anything contained in sub-clause (1) hereof, the further Shares aforesaid may be offered to any person(s) (whether or not those persons include the persons referred to in clause (a) sub-clause (1) hereof) in any manner whatsoever. <ol style="list-style-type: none"> (a) If a Special Resolution to that effect is passed by the Company in the General Meeting; or (b) Where no such Special Resolution is passed, if the votes cast (whether on a show of hands, or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting, (including the casting vote, if any, of the Chairman) by Members who, being entitled to do so, vote in person, or where proxies are allowed by proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company. 3) Nothing in sub-clause (c) of clause(1) hereof shall be deemed: <ol style="list-style-type: none"> (a) To extend the time within which the offer should be accepted; or (b) To authorise any person to exercise the right of renunciation for a second time, on the ground that the persons in whose favour the renunciation was first made has

Title of Article	Article Number and contents
	<p>declined to take the Shares comprised in the renunciation.</p> <p>4) Nothing in this Article shall apply to the increase of the subscribed Capital of the Company caused by the exercise of an option attached to the debentures issued or loans raised by the Company:</p> <p>(i) To convert such debentures or loans into Shares in the Company; or</p> <p>(ii) to subscribe for Shares in the Company PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:</p> <p>(a) either has been approved by the Central Government before the issue of the debentures or the raising of the loans, or is in conformity with the rules, if any, made by that government in this behalf; and</p> <p>(b) in the case of debentures or loans other than debentures issued to, or loans obtained from government or any institution specified by the Central Government in this behalf, has also been approved by a Special Resolution passed by the Company in the General Meeting before the issue of the debentures or the raising of the loans.</p>
Shares at the disposal of the Directors	<p>16.</p> <p>1) Subject to the provisions of the Section 81 of the Act and these Articles, the Shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with sanction of the Company in the General Meeting to give to any person or persons the option or right to call for Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.</p> <p>2) Subject to the provisions of section 81(1A) of the Act, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, whenever applicable, provision of these articles and such other rules, procedures, regulations and guidelines as may be applicable any preferential issue of equity shares/warrants/fully convertible debentures/partially convertible debentures or any other financial instruments by the Company which would be converted into or exchanged with equity shares at a later date shall be under the control of the Board which may allot or otherwise dispose of the same to such persons on such terms and conditions and at such times either at par or at a premium and for such consideration as the Board thinks fit.</p>
Power to offer ESOP/sweat equity	<p>17.</p> <p>Subject to the provisions of Section 79A and other applicable provisions of the Act and the rules made thereunder and other applicable regulations, if any, the Company may issue sweat equity if such issue is authorised by a Special Resolution passed by the Company in the General Meeting.</p> <p>The Company may also issue shares to employees including its Directors under Employee Stock Option Scheme (ESOP) or any other scheme, if authorised by a Special Resolution in the General Meeting subject to the provisions of the Act and the rules and applicable guidelines/regulations made thereunder, by whatever name called.</p>
Application of premium received on Shares	<p>18.</p> <p>1) Where the Company issues Shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on these Shares shall be transferred to an account, to be called "the security premium account" and the provisions of the Act relating to the reduction of the share capital of the Company shall except as provided in this Article, apply as if the security premium account were paid up share capital of the Company.</p> <p>2) The security premium account may, notwithstanding anything in clause (1) thereof be applied by the Company:</p> <p>(a) In paying up unissued Shares of the Company, to be issued to the Members of the Company as fully paid bonus;</p> <p>(b) In writing off the preliminary expenses of the Company;</p> <p>(c) In writing off the expenses of or the commission paid or discount allowed or any issue of Shares or debentures of the Company ; or</p>

Title of Article	Article Number and contents
	(d) In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.
Power also to Company in General Meeting to issue Shares	19. In addition to and without derogating from the powers for that purpose conferred on the Board under these Articles, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that Shares (whether forming part of the original Capital or of any increased Capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a Member or not) the option or right to call for or buy allotted Shares of any class of the Company either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment, or disposal of any Shares.
Shares at a discount	20. The Company may issue at a discount Shares in the Company of a class already issued, if the following conditions are fulfilled, namely: (a) The issue of the Shares at discount is authorised by resolution passed by the Company in the General Meeting and sanctioned by the Company Law Board; (b) The resolution specifies the maximum rate of discount (not exceeding ten percent or such higher percentage as the Company Law Board may permit in any special case) at which the Shares are to be issued; and (c) The Shares to be issued at a discount are issued within two months after the date in which the issue is sanctioned by the Company Law Board or within such extended time as the Company Law Board may allow.
Installments of Shares to be duly paid	21. If by the conditions of any allotment of any Shares the whole or any part of the amount or issued price thereof shall, be payable by installments, every such installment shall when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the Shares or his legal representatives, and shall for the purposes of these Articles be deemed to be payable on the date fixed for payment and in case of non-payment the provisions of these Articles as to payment of interest and expenses forfeiture and like and all the other relevant provisions of the Articles shall apply as if such installments were a call duly made notified as hereby provided.
The Board may issue Shares as fully paid-up	22. Subject to the provisions of the Act and these Articles, the Board may allot and issue Shares in the Capital of the Company as payment for any property purchased or acquired or for services rendered to the Company in the conduct of its business or in satisfaction of any other lawful consideration. Shares which may be so issued may be issued as fully paid-up or partly paid up Shares.
Acceptance of Shares	23. Any application signed by or on behalf of an applicant for Share(s) in the Company, followed by an allotment of any Share therein, shall be an acceptance of Share(s) within the meaning of these Articles, and every person who thus or otherwise accepts any Shares and whose name is therefore placed on the Register of Members shall for the purpose of this Article, be a Member.
Deposit and call, etc. to be debt payable	24. The money, if any which the Board of Directors shall on the allotment of Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of 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	25. Every Member, or his heirs, executors or administrators to the extent of his assets which come to their hands, shall be liable to pay to the Company the portion of the capital represented by his Share which may, for the time being, remain unpaid thereon in such amounts at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's requirements require or fix for the payment thereof.

Title of Article	Article Number and contents
Dematerialisation of securities	<p>26.</p> <p>1) Definitions Beneficial Owner “Beneficial Owner” means a person whose name is recorded as such with a Depository; SEBI “SEBI” means the Securities and Exchange Board of India as established under Section 3 of Securities and Exchange Board of India Act, 1992; Bye-Laws “Bye-Laws” mean bye-laws made by a depository under Section 26 of the Depositories Act, 1996; Depositories Act “Depositories Act” means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force; Depository “Depository” means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992; Record “Record” includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI; Regulations “Regulations” mean the regulations made by SEBI; Security/Securities “Security” means such security/securities as may be specified by SEBI.</p> <p>2) Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialised form, the Company shall enter into an agreement with the depository to enable the investor to dematerialise the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.</p>
Options to receive security certificates or hold securities with depository	<p>27.</p> <p>Every person subscribing to securities offered by the Company shall have the option to receive the Security certificates or hold securities with a depository. Where a person opts to hold a Security with a depository, the Company shall intimate such depository the details of allotment of the Security, and on receipt of such information the depository shall enter in its record the name of the allotted as the Beneficial Owner of that Security.</p>
Securities in depositories to be in fungible form	<p>28.</p> <p>All Securities held by a Depository shall be dematerialised and shall be in a fungible form; nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.</p>
Rights of depositories and beneficial owners	<p>29.</p> <p>1) Notwithstanding anything to the contrary contained in the Articles, a Depository shall be deemed to be a registered owner for the purposes of effecting transfer of ownership of Security on behalf of the Beneficial Owner; 2) Save as otherwise provided in (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it; 3) Every person holding equity share capital of the Company and whose name is entered as Beneficial Owner in the Records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the Securities held by a Depository.</p>
Depository to furnish information	<p>30.</p> <p>Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.</p>
Service of documents	<p>31.</p> <p>Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronics mode or by delivery of floppies or discs.</p>
Option to opt out in respect of any Security	<p>32.</p> <p>If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its Records and shall inform the Company. The Company shall, within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of Securities to the Beneficial Owner or the transferee as the case may be.</p>

Title of Article	Article Number and contents
Sections 83 and 108 of the Act not to apply	33. Notwithstanding anything to the contrary contained in the Articles, 1) Section 83 of the Act shall not apply to the Shares held with a Depository; 2) Section 108 of the Act shall not apply to transfer of Security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the Records of a Depository.
Share certificate	34. 1) Every Member or allottee of Shares is entitled, without payment, to receive one certificate for all the Shares of the same class registered in his name. 2) Any two or more joint allottees or holders of Shares shall, for the purpose of this Article, be treated as a single Member and the certificate of any Share which may be the subject of joint ownership may be delivered to any one of such joint owners, on behalf of all of them. 3) The Board may, from time to time, subject to the provisions of the Act and these Articles sub-divide/consolidate Share certificates.
Limitation of time for issue of certificates	35. Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such Shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the seal of the company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of Shares to one or several joint holders shall be a sufficient delivery to all such holder.
Renewal of Share certificates	36. No certificate of any Share or Shares shall be issued either in exchange for those, which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfer have been duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company. PROVIDED THAT no fee shall be charged for issue of new certificate in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfer have been fully utilized.
Issue of new certificate in place of one defaced, lost or destroyed	37. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding ₹ 2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new Certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulations or requirements of any stock exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other law, rules, regulations, notifications and enforceable guidelines for the time being in force thereof in this behalf. The provision of this Article shall <i>mutatis mutandis</i> apply to Debentures of the Company.
Issue of Shares without voting rights	38. In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such Shares upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law.
The first name joint holder deemed sole holder	39. If the Share(s) stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and all or any other matters connected with Company except voting at Meetings and the transfer of the Shares be deemed the sole holder thereof but the joint holders of a Share shall severally as well as jointly be liable for the payment of all incidents thereof according to the Company's Articles.
Buy-back of Shares and Securities	40. Notwithstanding anything contained in these articles, in the event it is permitted by law for a company to purchase its own Shares or Securities, the Board of Directors may, when and if thought fit, buy back, such of the Company's own Shares or Securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, provision of Section 77A and SEBI (Buyback of Securities)

Title of Article	Article Number and contents
	Regulations, 1998 as may be permitted by law.
Employees Stock Options Scheme/ Plan	<p>41.</p> <p>The Directors shall have the power to offer , issue and allot Equity Shares in or Debentures (whether fully/ partly convertible or not into equity Shares) of the Company with or without equity warrants to such of the fficers, Employees, Workers of the Company or of its Subsidiary and / or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as “the Employees”) as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust, plan or proposal that may be formulated , created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit.</p>
Postal ballot	<p>42.</p> <p>The Company may pass such resolution by postal ballot in the manner prescribed by Section 192A of the Act and such other applicable provisions of the Act and any future amendments or re-enactment thereof. Notwithstanding anything contained in the provisions of the Act, the Company shall in the case of a resolution relating to such business, as the Central Government may, by notification, declare to be conducted only by postal ballot, get such resolution passed by means of postal ballot instead of transacting such business in a general meeting of the Company.</p>
Company not bound to recognize any interest in Shares other than of registered holder	<p>43.</p> <p>Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise, even when having notice thereof any equitable, contingent, future or partial interest in Share(s), or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.</p>
Trust recognised	<p>44.</p> <ol style="list-style-type: none"> 1) Except as ordered, by a court of competent jurisdiction or as by law required, the Company shall not be bound to recognise, even when having notice thereof, any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them. 2) Shares may be registered in the name of an incorporated company or other body corporate but not in the name of a minor or of a person of unsound mind (except in case where they are fully paid) or in the name of any firm or partnership.
Declaration by person not holding beneficial interest in any Shares	<p>45.</p> <ol style="list-style-type: none"> 1) Notwithstanding anything herein contained a person whose name is at any time entered in the Register of Members of the Company as the holder of a Share in the Company, but who does not hold the beneficial interest in such Shares, shall, if so required by the Act within such time and in such forms as may be prescribed, make declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in the manner provided in the Act. 2) A person who holds a beneficial interest in a Share or a class of Shares of the Company, shall if so required by the Act, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the Shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in the Act. 3) Whenever there is a change in the beneficial interest in a Share referred to above, the beneficial owner shall, of so required by the Act, within the time prescribed, from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act. 4) Notwithstanding anything contained in the Act and Articles 44 and 45 hereof, where any declaration referred to above is made to the Company, the Company shall, if so required by the Act, make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.
Funds of Company not to be applied in purchase of Shares of the Company	<p>46.</p> <p>No funds of the Company shall except as provided by Section 77 of the Act, be employed in the purchase of its own Shares, unless the consequent reduction of capital is effected and sanction in pursuance of Sections 78, 80 and 100 to 105 of the Act and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Share in the Company in its holding Company.</p>

UNDERWRITING AND BROKERAGE

Title of Article	Article Number and contents
Commission may be paid	47. Subject to the provisions of Section 76 of the Act, the Company may at anytime pay commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares in or debentures of the Company but so that the commission shall not exceed in the case of the Shares five percent of the price at which the Shares are issued and in the case of debentures two and half percent of the price at which the debenture are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid Shares or debentures as the case may be or partly in one way and partly in the other.
Brokerage	48. The Company may on any issue of Shares or Debentures or on deposits pay such brokerage as may be reasonable and lawful.
Commission to be included in the annual return	49. Where the Company has paid any sum by way of commission in respect of any Shares or Debentures or allowed any sums by way of discount in respect to any Shares or Debentures, such statement thereof shall be made in the annual return as required by Part I of Schedule V to the Act.

INTEREST OUT OF CAPITAL

Title of Article	Article Number and contents
Interest out of capital	50. Where Shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provisions of any plant which cannot be made profitable for lengthy period, the Company may pay interest on so much of that Share Capital as is for the time being paid-up, for the period at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building or the provisions of the plant.

DEBENTURES

Title of Article	Article Number and contents
Debentures with voting rights not to be issued	51. <ol style="list-style-type: none">1) The Company shall not issue any Debentures carrying voting rights at any Meeting of the Company whether generally or in respect of particular classes of business.2) The Company shall have power to reissue redeemed Debentures in certain cases in accordance with Section 121 of the Act.3) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act.4) Certain charges (which expression includes mortgage) mentioned in Section 125 of the Act, shall be void against the liquidator or creditor unless registered as provided in Section 125 of the Act.5) A contract with the Company to take up and pay Debentures of the Company may be enforced by a decree for specific performance.6) Unless the conditions of issue thereof otherwise provide, the Company shall (subject to the provisions of Section 113 of the Act) within three months after the allotment of its Debentures or Debenture-stock and within one month after the application for the registration of the transfer of any such Debentures or Debenture-stock have completed and ready for delivery the certificate of all Debenture-stock allotted or transferred.7) The Company shall comply with the provisions of Section 118 of the Act, as regards supply of copies of Debenture trust deed and inspection thereof.8) The Company shall comply with the provisions of Section 124 to 145 (inclusive) of the Act as regards registration of charges.

CALLS

Title of Article	Article Number and contents
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Title of Article	Article Number and contents
Directors may make calls	<p>52.</p> <p>1) Subject to the provisions of Section 91 of the Act, the Board of Directors may from time to time by a resolution passed at a Meeting of a Board (and not by a circular resolution) make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the Shares or by way of premium held by them, respectively and not by conditions of allotment thereof made payable at fixed time and each Member shall pay the amount of every call so made on him to person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine. No call shall be made payable within less than one month from the date fixed for the payment of the last preceding call.</p> <p>2) The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.</p>
Notice of call when to be given	<p>53.</p> <p>Not less than fourteen days notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.</p>
Call deemed to have been made	<p>54.</p> <p>A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a Meeting of the Board of Directors and may be made payable by the Members of such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors.</p>
Directors may extend time	<p>55.</p> <p>The Board of Directors may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time to call or any of the Members, the Board of Directors may deem fairly entitled to such extension but no Member shall be entitled to such extension as of right except as a matter of grace and favour.</p>
Amount payable at fixed time or by installments to be treated as calls	<p>56.</p> <p>If by the terms of issue of any Share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the Share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.</p>
When interest on call or installment payable	<p>57.</p> <p>If the sum payable in respect of any call or installment is not paid on or before the day appointed for the payment thereof, the holder for the time being or allottee of the Share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rate not exceeding eighteen percent per annum as Directors shall fix from the day appointed for the payment thereof upto the time of actual payment but the Directors may waive payment of such interest wholly or in part.</p>
Evidence in action by Company against shareholder	<p>58.</p> <p>On the trial of hearing of any action or suit brought by the Company against any Member or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his Share it shall be sufficient to prove that the name of the Member in respect of whose Shares the money is sought to be recovered is entered on the Register of Members as the holder or as one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the Shares in respect of which the money is sought to be recovered, that the resolution making the call is duly recorded in the minute book and the notice of such call was duly given to the Member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of Directors was present at the Board meeting at which any call was made nor that the Meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.</p>
Payment in anticipation of calls may carry interest	<p>59.</p> <p>The Board of Directors may, if it thinks fit, subject to the provisions of Section 92 of the Act, agree to and receive from any Member willing to advance the same, whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for and upon the money so paid up in advance or so much thereof as from time to time exceeds the amount of the calls then made upon and in respect of which such advance has been made, the Company may pay interest at such rate, as the Member paying such sum in advance and the Board of Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at anytime repay the amount so advanced. No Member paying any such sum in advance shall be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment presently payable. The provisions of this Article shall <i>mutatis mutandis</i> apply to the calls on Debentures of the Company.</p>

LIEN

Title of Article	Article Number and contents
Partial payment not to preclude forfeiture	60. Neither the receipt by the Company of a portion of any money which shall, from time to time be due from any Member to the Company in respect of his Shares, either by way of principal or interest, or any indulgence granted by the Company in respect of the payment of such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.
Company's lien on Shares/ Debentures	61. The Company shall have first and paramount lien upon Shares/ Debentures (other than fully paid up Shares/ Debentures) registered in the name of each Member whether solely or jointly with others and upon the proceeds of sale thereof, for all moneys (whether presently payable or not), called or payable at a fixed time in respect of such Shares/ Debentures and no equitable interests in Share/ Debenture shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/ Debentures; Unless otherwise agreed the registration of a transfer of Shares/ Debentures shall operate as a waiver of the Company's lien if any, on such Shares/Debentures. The Directors may at any time declare any Shares/ Debentures wholly or in part exempt from the provisions of this Article. Further, the fully paid Shares shall be free from all lien and that in the case of partly paid Shares the issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such Shares.
As to enforcing lien by sale	62. The Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has lien for the purpose of enforcing the same PROVIDED THAT no sale shall be made:- 1) Unless a sum in respect of which the lien exists is presently payable; or 2) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is /presently payable has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency. For the purpose of such sale the Board may cause to be issued a duplicate certificate in respect of such Shares and may authorise one of their members to execute a transfer therefrom, behalf of and in the name of such Members. 3) The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
Application of proceeds of sale	63. 1) The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable, and 2) The residue, if any, after adjusting costs and expenses if any incurred shall be paid to the person entitled to the Shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the Shares before the sale).

FORFEITURE OF SHARES

Title of Article	Article Number and contents
If money payable on Shares not paid, notice to be given	64. If any Member fails to pay the whole or any part of any call or any installments of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
Sum payable on allotment to be deemed a call	65. For the purposes of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a Share shall be deemed to be a call payable upon such Share on the day of allotment.
Form of notice	66. The notice shall name a day, (not being less than fourteen days from the day of the notice) and a place or places on and at which such call in installment and such interest thereon at such rate not exceeding eighteen percent per annum as the Directors may determine and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place appointed, Shares in respect of which the call was made or installment is payable will be liable to be forfeited.
In default of payment, Shares to be forfeited	67. If the requirements of any such notice as aforesaid are not complied with, Shares in respect of which such notice has been given may at any time thereafter before payment of all calls or installments, interests and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture.
Notice of forfeiture to a Member	68. When Shares shall have been so forfeited, notice of the forfeiture shall be given to the Member in

Title of Article	Article Number and contents
	whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
Forfeited Shares to be the property of the Company and may be sold etc.	69. Shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.
Member still liable for money owing at the time of forfeiture and interest	70. Any Member whose Shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding eighteen percent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof, if it thinks fit, but shall not be under any obligation to do so.
Effects of forfeiture	71. The forfeiture of Shares shall involve the extinction at the time of the forfeiture, of all interest in and all claims and demand against the Company in respect of the Shares and all other rights incidental to the Shares, except only such of those rights as by these Articles are expressly saved.
Power to annul forfeiture	72. The Board of Directors may at any time before Shares so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
Declaration of forfeiture	73. <ol style="list-style-type: none"> 1) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary of the Company, and that Share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Shares. 2) The Company may receive the consideration, if any, given for the Shares on any sale, re-allotment or other disposal thereof and may execute a transfer of the Shares in favour of the person to whom the Shares is sold or disposed off. 3) The person to whom such Shares are sold, re-allotted or disposed of shall thereupon be registered as the holder of the Shares. 4) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Shares before the time of completing such purchase or before such allotment. 5) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Shares be affected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the Shares.
Provisions of these Articles as to forfeiture to apply in case of non-payment of any sum.	74. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes payable at a fixed time, whether on account of the nominal value of Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
Cancellation of shares certificates in respect of forfeited Shares	75. Upon sale, re-allotment or other disposal under the provisions of these Articles, the certificate or certificates originally issued in respect of the said Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.
Evidence of forfeiture	76. The declaration as mentioned in Article 73(1) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.
Validity of sale	77. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
Surrender of Shares	78. The Directors may subject to the provisions of the Act, accept surrender or any Share from any member desirous of surrendering on such terms and conditions as they think fit.

TRANSFER AND TRANSMISSION OF SHARES

Title of Article	Article Number and contents
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Title of Article	Article Number and contents
No transfers to minors etc.	79. No Share which is partly paid-up or on which any sum of money is due shall in any circumstances be transferred to any minor, insolvent or person of unsound mind.
Instrument of transfer	80. The instrument of transfer of Shares shall be in writing and all provisions of Section 108 of the Act and statutory modifications thereof for the time being shall be duly complied with in respect of all transfer of Shares and registration thereof. Further, a common transfer form shall be used.
Application for transfer	81. 1) An application for registration of transfer of Shares in the Company may be either by the transferor or the transferee. 2) Where the application is made by the transferor and relates to partly paid Shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice 3) For the purposes of clause (2) above notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address, given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.
Execution of transfer	82. The instrument of transfer of Shares shall be duly stamped and executed by or on behalf of both the transferor and the transferee and shall be witnessed. The transferor shall be deemed to remain the holder of such Shares until the name of the transferee shall have been entered in the Register of Members in respect thereof. The requirements of provisions of Section 108 of the Act and any statutory modifications thereof for the time being shall be duly complied with.
Transfer by legal representatives	83. A transfer of Shares in the Company of a deceased Member thereof made by his legal representative shall, although the legal representative is not himself a Member be as valid as if he had been a Member at the time of the execution of the instrument of transfer.
Register of Members, etc. when closed	84. The Board of Directors shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the Registered Office of the Company is situated to close the Register of Members and/or the register of Debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.
Directors may refuse to register transfer	85. Subject to the provisions of Section 111A of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on partly paid up Shares.
Death of one or more joint holders of Shares	86. In case of the death of any one or more of the persons named in the Register of Members as the joint holders of Shares, the survivor or survivors shall be the only persons recognised by the Company as having any title or interest in such Shares, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him with any other person.
Titles of Shares of deceased Member	87. The executors or administrators of a deceased Member or holders of a succession certificate or the legal representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such executors or administrators or holders of succession certificate or the legal representative unless such executors or administrators or legal representative shall have first obtained probate or letters of administration or succession certificate as the case may be from a duly constituted court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks it, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of probate or letters of administration or succession certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 109A and 109B of the Act.
Notice of application when to be given	88. Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.
Registration of persons	89.

Title of Article	Article Number and contents
entitled to Shares otherwise than by transfer (Transmission Clause)	Subject to the provisions of the Act and Article 86 hereto, any person becoming entitled to Shares in consequence of the 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 such title as the Board thinks sufficient, either be registered himself as the holder of the Shares or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered as a holder, he shall execute an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the Shares. This clause is hereinafter referred to as the "Transmission Clause".
Refusal to register nominee	90. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to Shares of his nominee as if he were the transferee named in an ordinary transfer presented for registration.
Person entitled may receive dividend without being registered as a Member	91. A person entitled to Shares by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Shares.
No fee on transfer or transmissions	92. No fee shall be charged for registration of transfer, transmission probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or other similar documents.
Transfer to be presented with evidence of title	93. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the Shares and generally under and subject to such conditions and regulations as the Board may, from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.
Company not liable for disregard of a notice prohibiting registration of transfer	94. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound to be required to regard or attend to give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

SHARE WARRANTS

Title of Article	Article Number and contents
Power to issue share warrants	95. The Company may issue warrants subject to and in accordance with provisions of Sections 114 and 115 of the Act and accordingly, the Board may in its discretion, with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.
Deposit of share warrants	96. <ol style="list-style-type: none"> 1) The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant. 2) Not more than one person shall be recognized as depositor of the Share warrant. 3) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.
Privileges and disabilities of the holders of share warrants	97. <ol style="list-style-type: none"> 1) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company. 2) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.
Issue of new share warrant coupons	98. The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a

Title of Article	Article Number and contents
	new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

Title of Article	Article Number and contents
Shares may be converted into stock	99. The Company may, by Ordinary Resolution: 1) Convert any fully paid up Shares into stock, and 2) Reconvert any stock into fully paid-up Shares.
Transfer of stock	100. The several holders of such stock may transfer their respective interest therein or any part thereof in the same manner and subject to the same regulations under which the stock arose might before the conversion, have been transferred, or as near thereto as circumstances admit. PROVIDED THAT the Board may, from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the Shares from which stock arose.
Right of stock holders	101. The holders of stock shall, according to the amount of stock held by them, have the same right, privileges and advantages as regards dividends, voting at meeting of the Company, and other matters, as if they held them Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred those privileges or advantages.
Regulation applicable to stock and share warrant	102. Such of the regulations of the Company as are applicable to the paid up Shares shall apply to stock and the words "Share" and "Share holder" in these regulations shall include "stock" and "stock holder" respectively.

BORROWING POWERS

Title of Article	Article Number and contents
Power to borrow	103. Subject to the provisions of Sections 58A, 292 and 293(1)(d) of the Act and these Articles, the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow and accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any such sum or sums of money for the purposes of the Company from any source. PROVIDED THAT, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up Capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the Company in General Meeting. No debts incurred by the Company in excess of the limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.
The payment or repayment of moneys borrowed	104. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debenture- stock of the Company, charged upon all or any part of the property of the Company (both present and future), including its un-called capital for the time being and the debentures and the debenture-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
Bonds, Debentures, etc. to be subject to control of Directors	105. Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and condition and in such manner and for such consideration as they shall consider to be for the benefit of the Company.
Terms of issue of Debentures	106. Any Debentures, Debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at General Meeting, appointment of Directors and otherwise; however, Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in General Meeting by a Special Resolution.
Mortgage of uncalled capital	107. If any uncalled capital of the Company is included in or charged by mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles, make calls on the Members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security has been executed.

MEETING OF MEMBERS

Title of Article	Article Number and contents
Statutory meeting	<p>108.</p> <p>The statutory meeting shall be held in accordance with the provisions of Section 165 of the Act within a period of not less than one month and not more than six months from the date on which the Company shall be entitled to commence business and the provisions related to the Statutory Report shall be complied with.</p>
Annual General Meeting	<p>109.</p> <p>The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other Meeting in that year. All General Meetings other than Annual General Meetings shall be called Extra-ordinary General Meetings. An Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166(1) of the Act to extend the time with which any Annual General Meeting may be held. Every Annual General Meeting shall be called at a time during business hours, on a day that is not a public holiday, and shall be held at the office of the Company or at some other place within the city in which the Registered Office of the Company is situated as the Board may determine and the notices calling the Meeting shall specify as the Annual General Meeting. The company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting. Every Member of the Company shall be entitled to attend, either in person or by proxy and the auditors of the Company, shall have the right to attend and be heard at any General Meeting which he attends on any part of the business which concerns him as an auditor. At every Annual General Meeting of the Company there shall be laid on the table the director's report and audited statement of accounts, the proxy register with proxies and the register of director's shareholding, which registers shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the annual list of Members, summary of share capital, balance sheet and profit and loss account and forward the same to the registrar in accordance with Sections 159, 161 and 220 of the Act.</p>
Report statement and registers to be laid before the Annual General Meeting	<p>110.</p> <p>The Company shall in every Annual General Meeting, in addition to any other Report or Statement lay on the table, the director's report and audited statement of accounts, auditor's report (if not already incorporated in the audited statement of accounts), the proxy register with proxies and the register of director's shareholdings, which registers shall remain open and accessible during the continuance of the Meeting.</p>
Extra-Ordinary General Meeting	<p>111.</p> <p>All General Meetings other than Annual General Meeting shall be called Extra-Ordinary General Meeting.</p>

Title of Article	Article Number and contents
Requisitionists' meeting	<p>112.</p> <ol style="list-style-type: none"> 1) Subject to the provisions of Section 188 of the Act, the Directors shall on the requisition in writing of such number of Members as is hereinafter specified and (unless the General Meeting otherwise resolves) at the expense of the requisitionists:- <ol style="list-style-type: none"> (a) Give to the Members of the Company entitled to receive notice of the next Annual General Meeting, notice of any resolution which may properly be moved and is intended to be moved at that Meeting. (b) Circulate to the Members entitled to have notice of any General Meeting sent to them, any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or any business to be dealt with at that Meeting. 2) The number of Members necessary for a requisition under clause (1) hereof shall be <ol style="list-style-type: none"> (a) Such number of Members as represent not less than one-twentieth of the total voting power of all the Members having at the date of the resolution a right to vote on the resolution or business to which the requisition relates; or (b) not less than one hundred Members having the rights aforesaid and holding Shares in the Company on which there has been paid up an aggregate sum of not less than Rupees one Lac in all. 3) Notice of any such resolution shall be given and any such statement shall be circulated, to Members of the Company entitled to have notice of the Meeting sent to them by serving a copy of the resolution or statement to each Member in any manner permitted by the Act for service of notice of the Meeting and notice of any such resolution shall be given to any other Member of the Company by giving notice of the general effect of the resolution in any manner permitted by the Act for giving him notice of Meeting of the Company. The copy of the resolution shall be served, or notice of the effect of the resolution shall be given, as the case may be in the same manner, and so far as practicable, at the same time as notice of the Meeting and where it is not practicable for it to be served or given at the time it shall be served or given as soon as practicable thereafter. 4) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless: <ol style="list-style-type: none"> (a) A copy of the requisition signed by, the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the Registered Office of the Company. (b) In the case of a requisition, requiring notice of resolution, not less than six weeks before the Meeting. (c) the case of any other requisition, not less than two weeks before the Meeting, and (d) There is deposited or tendered with the requisition sum reasonably sufficient to meet the Company expenses in giving effect thereto. <p>PROVIDED THAT if after a copy of the requisition requiring notice of a resolution has been deposited at the Registered Office of the Company, and an Annual General Meeting is called for a date six weeks or less after such copy has been deposited, the copy although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purposes also thereof. The Company shall also not be bound under this Article to circulate any statement, if on the application either of the Company or of any other person who claims to be aggrieved, the court is satisfied that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter. Notwithstanding anything in these Articles, the business which may be dealt with at Annual General Meeting shall include any resolution for which notice is given in accordance with this Article, and for the purposes of this clause, notice shall be deemed to have been so given, notwithstanding the accidental omission in giving it to one or more Members.</p>
Extra-Ordinary General Meeting by Board and by requisition	<p>113.</p> <p>The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of the Members as herein provided, forthwith proceed to convene Extra-Ordinary General Meeting of the Company.</p>
Contents of requisition, and number of requisitionists required and the conduct of Meeting	<p>114.</p> <ol style="list-style-type: none"> 1) In case of requisition the following provisions shall have effect: <ol style="list-style-type: none"> (a) The requisition shall set out the matter for the purpose of which the Meeting is to be called and shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company. (b) The requisition may consist of several documents in like form each signed by one or more

Title of Article	Article Number and contents
	<p>requisitionists.</p> <p>(c) The number of Members entitled to requisition a Meeting in regard to any matter shall be such number as hold at the date of the deposit of the requisition, not less than one-tenth of such of the paid-up Share Capital of the Company as that date carried the right of voting in regard to that matter.</p> <p>(d) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (3) shall apply separately in regard to such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clause are fulfilled.</p> <p>(e) If the Board does not within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed, duly to call a Meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition, the Meeting may be called:</p> <p>(i) By the requisitionists themselves ; or</p> <p>(ii) By such of the requisitionists as represent either a majority in value of the paid up Share Capital held by all of them or not less than one tenth of the paid-up share capital of the Company as is referred to in sub clauses (c) of clause (1) whichever is less. PROVIDED THAT for the purpose of this sub-clause, the Board shall, in the case of a Meeting at which a resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the Meeting if they do not give such notice thereof as is required by sub-section (2) of Section 189 of the Act.</p> <p>2) A meeting called under sub-clause (c) of clause (1) by requisitionists or any of them:</p> <p>(a) shall be called in the same manner as, nearly as possible, as that in which meeting is to be called by the Board; but</p> <p>(b) shall not be held after the expiration of three months from the date of deposit of the requisition. PROVIDED THAT nothing in sub-clause (b) shall be deemed to prevent a Meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some days after the expiry of that period.</p> <p>3) Where two or more Persons hold any Shares in the Company jointly; a requisition or a notice calling a Meeting signed by one or some only of them shall, for the purpose of this Article, have the same force and effect as if it has been signed by all of them.</p> <p>4) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to duly call a Meeting shall be repaid to the requisitionists by the Company; and any sum repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.</p>
Length of notice of Meeting	<p>115.</p> <p>1) A General Meeting of the Company may be called by giving not less than twenty-one days' notice in writing.</p> <p>2) A General Meeting may be called after giving shorter notice than that specified in clause (1) hereof, if consent is accorded thereto:</p> <p>(i) In the case of Annual General Meeting by all the Members entitled to vote thereat; and</p> <p>(ii) In the case of any other Meeting, by Members of the Company holding not less than ninety-five percent of such part of the paid up Share Capital of the Company as gives a right to vote at the Meeting.</p> <p>PROVIDED THAT where any Members of the Company are entitled to vote only on some resolution, or resolutions to be moved at a Meeting and not on the others, those Members shall be taken into account for the purposes of this clause in respect of the former resolutions and not in respect of the later.</p>
Contents and manner of service of notice	<p>116.</p> <p>1) Every notice of a Meeting of the Company shall specify the place and the day and hour of the Meeting and shall contain a statement of the business to be transacted thereat.</p> <p>2) Subject to the provisions of the Act, notice of every General Meeting shall be given:</p> <p>(a) to every Member of the Company, in any manner authorised by sub-sections (1) to (4) Section 53 of the Act;</p> <p>(b) to the persons entitled to Shares in consequence of the death, or insolvency of a Member, by sending it through post in a prepaid letter addressed to them by name or by the title of representative of the deceased, or assignees of the insolvent, or by like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied, by giving the</p>

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	<p>notice in any manner in which it might have been given if the death or insolvency had not occurred; and</p> <p>(c) to the auditor or auditors for the time being of the Company in any manner authorised by Section 53 of the Act in the case of Members of the Company.</p> <p>PROVIDED THAT, where the notice of a Meeting is given by advertising the same in a newspaper circulating in the neighborhood of Registered Office of the Company under sub-section (3) of Section 53 of the Act, the statement of material facts referred to in Section 173 of the Act need not be annexed to the notice as required by that Section, but it shall be mentioned in the advertisement that the statement has been forwarded to the Members of the Company.</p> <p>3) Every notice convening a Meeting of the Company shall state with reasonable prominence that a Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself and that a proxy need not be a Member of the Company.</p>
Special and ordinary business and explanatory statement	<p>117.</p> <p>1)</p> <p>(a) In the case of an Annual General Meeting all business to be transacted at the Meeting shall be deemed special, with the exception of business relating to</p> <p>(i) the consideration of the accounts, balance sheet, the reports of the Board of Directors and Auditors;</p> <p>(ii) the declaration of dividend;</p> <p>(iii) the appointment of Directors in the place, of those retiring; and</p> <p>(iv) the appointment of, and the fixing of the remuneration of the Auditors, and</p> <p>(b) In the case of any other meeting, all business shall be deemed special.</p> <p>2) Where any item of business to be transacted at the Meeting of the Company are deemed to be special as aforesaid, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein of every Director.</p> <p>PROVIDED THAT where any such item of special business at the Meeting of the Company relates to or affects any other company, the extent of shareholding interest in that other company of every Director of the Company shall also be set out in the statement, if the extent of such shareholding interest is not less than twenty percent of the paid-up Share Capital of the other company.</p> <p>3) Where any item of business consists of the according of approval to any document by the Meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.</p>
Omission to give notice not to invalidate proceedings	<p>118.</p> <p>The accidental omission to give such notice as aforesaid to or non-receipt thereof by, any Member or other person to whom it should be given, shall not invalidate the proceedings of any such Meeting.</p>
Notice of business to be given	<p>119.</p> <p>No General Meeting, Annual or Extra-Ordinary shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the Meeting.</p>

MEETING OF MEMBERS

Title of Article	Article Number and contents
Quorum	<p>120.</p> <p>Five Members entitled to vote and present in person shall be quorum for General Meeting and no business shall be transacted at the General Meeting unless the quorum requisite is present at the commencement of the Meeting. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act. The President of India or the Governor of a State being a Member of the Company shall be deemed to be personally present if it is presented in accordance with Section 187 of the Act.</p>
If quorum not present when Meeting to be dissolved and when to be adjourned	<p>121.</p> <p>If within half an hour from the time appointed for holding a Meeting of the Company, a quorum is not present, the Meeting, if called by or upon the requisition of the Members shall stand dissolved and in any other case the Meeting shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday, at the same time and place or to such other day and at such other time and place as the Board may determine. If at the adjournment meeting also, a quorum is not present within half an hour from the time appointed for holding the Meeting, the Members present shall be a quorum and may transact the business for which the Meeting was called.</p>
Resolution passed at adjourned Meeting	<p>122.</p> <p>Where a resolution is passed at an adjourned Meeting of the Company, the resolution for all purposes is treated as having been passed on the date on which it was in fact passed and shall not</p>

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	be deemed to have been passed on any earlier date.
Chairman of General Meeting.	123. At every General Meeting the chair shall be taken by the Chairman of the Board of Directors. If at any Meeting, the Chairman of the Board of Directors is not present within ten minutes after the time appointed for holding the Meeting or though present, is unwilling to act as Chairman, the Vice Chairman of the Board of Directors would act as Chairman of the Meeting and if Vice Chairman of the Board of Directors is not present or, though present, is unwilling to act as Chairman, the Directors present may choose one of themselves to be a Chairman, and in default or their doing so or if no Directors shall be present and willing to take the chair, then the Members present shall choose one of themselves, being a Member entitled to vote, to be Chairman.
Act for resolution sufficiently done or passed by Ordinary Resolution unless otherwise required.	124. Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in General Meeting shall be sufficiently done so or passed if effected by an Ordinary Resolution unless either the Act or the Articles specifically require such act to be done or resolution be passed by a Special Resolution.
Business confined to election of Chairman whilst the chair is vacant	125. No business shall be discussed at any General Meeting except the election of a Chairman whilst the chair is vacant.
Chairman may adjourn Meeting	126. 1) The Chairman may with the consent of Meeting at which a quorum is present and shall if so directed by the Meeting adjourn the Meeting from time to time and from place to place. 2) No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place. 3) When a Meeting is adjourned for thirty days or more notice of the adjourned Meeting shall be given as in the case of an original Meeting. 4) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned Meeting.
How questions are decided at Meetings	127. Every question submitted to a General Meeting shall be decided in the first instance by a show of hands unless the poll is demanded as provided in these Articles.
Chairman's declaration of result of voting on show of hands	128. A declaration by the Chairman of the Meeting that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the book containing the minutes of the proceeding of the Company's General Meeting shall be conclusive evidence of the fact, without proof of the number or proportion of votes cast in favour of or against such resolution.
Demand of poll	129. Before or on the declaration of the result of the voting on any resolution on a show of hands a poll may be ordered to be taken by the Chairman of the Meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by any Member or Members present in person or by proxy and holding Shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.
Time of taking poll	130. A poll demanded on a question of adjournment or election of a Chairman shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than forty-eight hours from the time when the demand was made and in such manner and place as the Chairman of the Meeting may direct and the result of the poll shall be deemed to be the decision of the Meeting on the resolution on which the poll was taken.
Chairman's casting vote	131. In the case of equality of votes the Chairman shall both on a show of hands and on a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member.
Appointment of scrutineers	132. Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutineers to scrutinise the vote given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a Member (not being an officer or employee of the Company) present at the Meeting, provided such a Member is available and willing to be appointed. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of the scrutineer arising from such removal or from any other cause.
Demand for poll not to prevent transaction of other business	133. The demand for a poll shall not prevent transaction of other business (except on the question of the election of the Chairman and of an adjournment) other than the question on which the poll has been demanded.
Special notice	134. Where by any provision contained in the Act or in these Articles, a special notice is required for any resolution notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the Meeting at which it is to be moved, exclusive of the day which

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	the notice is served or deemed to be served on the day of the Meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its Members notice of the resolution in the same manner as it gives notice of the Meeting, or if that is not practicable shall give them notice thereof, either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the Meeting.

VOTES OF MEMBERS

Title of Article	Article Number and contents
Member paying money in advance not to be entitled to vote in respect thereof	135. A Member paying the whole or a part of the amount remaining unpaid on Shares held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of monies so paid by him until the same would but for such payment become presently payable.
Restriction on exercise of voting rights of Members who have not paid calls	136. No Member shall exercise any voting rights in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
Number of votes to which Member entitled	137. Subject to the provisions of Article 135, every Member of the Company holding Class I equity shares and otherwise entitled to vote shall, on a show of hands when present in person (or being a body corporate present by a representative duly authorised) have one vote and on a poll, when present in person (including a body corporate by a duly authorised representative), or by an agent duly authorised under a Power of Attorney, his voting right shall be in proportion to his share of the paid-up equity Share Capital of the Company. Subject to the provisions of Article 135, every Member of the Company holding Class II equity shares and otherwise entitled to vote shall, on a show of hands when present in person (or being a body corporate present by a representative duly authorised) have one vote and on a poll, when present in person (including a body corporate by a duly authorised representative), or by an agent duly authorised under a Power of Attorney, his voting right shall be one vote for every one hundred Class II shares. Provided however, if any preference shareholder is present at any meeting of the Company, (save as provided in clause (b) of sub-section (2) of Section 87 of the Act) he shall have a right to vote only on resolutions before the Meeting which directly affect the rights attached to his preference shares. A Member is not prohibited from exercising his voting rights on the ground that he has not held his Shares or interest in the Company for any specified period preceding the date on which the vote is taken.
Votes of Members of unsound mind	138. A Member of unsound mind, who is an equity shareholder or in respect of whom order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy.
Votes of joint Members	139. If there be joint registered holders of Shares, one of such persons may vote at any Meeting personally or by an agent duly authorised under a Power of Attorney or by proxy in respect of such Shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the Meeting, and if more than one of such joint holders be present at any Meeting either personally or by agent or by proxy, that one of the said persons so present whose name appears higher on the Register of Members shall alone be entitled to speak and to vote in respect of such Shares, but the other holder(s) shall be entitled to vote in preference to a person present by an agent duly authorised under a Power of Attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the Register of Members in respect of such Shares. Several executors or administrators of a deceased Member in whose name Shares stand shall for the purpose of these Articles be deemed joint holders thereof.
Representation of body corporate	140. 1) A body corporate (whether a company within the meaning of the Act or not) may, if it is a Member or creditor of the Company (including a holder of Debentures) authorise such person as it thinks fit by a resolution of its Board of Directors or other governing body, to act as its representative at any Meeting of the Company or any class of shareholders of the Company or at any meeting of the creditors of the Company or Debenture-holders of the Company. A person authorised by resolutions aforesaid shall be entitled to exercise the same rights and powers on behalf of the body corporate which he represents as that body could exercise if it were an individual Member, shareholder, creditor or holder of Debentures of the Company. The production of a copy of the resolution referred to above certified by a Director or the Secretary of such body corporate before the commencement of the Meeting shall be accepted by the Company as sufficient evidence of the validity of the said representatives' appointment and his right to vote thereat. 2) Where the President of India or the Governor of a State is a Member of the Company, the President or as the case may be the Governor may appoint such person as he thinks fit to act as his representative at any Meeting of the Company or at any meeting of any class of

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	shareholders of the Company and such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy, as the President, or as the case may be, the Governor could exercise as a Member of the Company.
Votes in respects of deceased or insolvent Members	141. Any person entitled under the Transmission Clause to transfer Shares may vote at any General Meeting in respect thereof in the same manner as if he was the registered holder of such Shares; provided that at least forty-eight hours before the time of holding the Meeting or adjourned Meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of the right to transfer such Shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.
Voting in person or by proxy	142. Subject to the provisions of these Articles, Share holders' votes may be given either personally or by proxy. A body corporate being a Member may vote by a representative duly authorised in accordance with Section 187 of the Act.
Rights of Members to use votes differently	143. On a poll taken at a Meeting of the Company a Member entitled to more than one vote or his proxy, or other persons entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
Proxies	144. Any Member of the Company entitled to attend and vote at a Meeting of the Company, shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself PROVIDED ALWAYS that a proxy so appointed shall not have any right whatsoever to speak at the Meeting. Every notice convening a Meeting of the Company shall state that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself, and that a proxy need not be a Member of the Company.
Proxy either for specified meeting or for a period	145. An equity shareholder may appoint a proxy either for the purposes of a particular Meeting specified in the instrument and any adjournment thereof or it may appoint a proxy for the purpose of every Meeting to be held before a date specified in the instrument and every adjournment of any such Meeting.
No proxy to vote on a show of hands	146. No proxy shall be entitled to vote by a show of hands.
Instrument of proxy when to be deposited	147. The instrument appointing a proxy and the Power of Attorney or authority (if any) under which it is signed or a naturally certified copy of that Power of Attorney or authority, shall be deposited at the Registered Office of the Company at least forty-eight hours before the time for holding the Meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.
Form of proxy	148. Every instrument of proxy whether for a specified Meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX to the Act, and signed by the appointer or his attorney duly authorised in writing or if the appointer is a body corporate, be under its seal or be signed by any officer or attorney duly authorised by it.
Validity of votes given by proxy notwithstanding revocation of authority	149. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any Power of Attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by the Company at the Registered Office before the commencement of the Meeting or adjourned Meeting at which the proxy is used, provided nevertheless that the Chairman of any Meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and of the same not having been revoked.
Time for objection to vote	150. No objection shall be made to the qualification of shareholders or to the validity of a vote except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered, and every shareholder's vote, whether given personally or by proxy, not disallowed at such Meeting, shall be valid for all proposes and such objection made in due time shall be referred to the Chairman of the Meeting.
Chairman of any Meeting to be the judge of validity of any value	151. The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. The decision of the Chairman shall be final and conclusive.
Custody of Instrument	152. If any such instrument of appointment is confined to the object of appointing an attorney or proxy for voting at Meetings of the Company, it shall remain permanently or for such time as the Directors may determine, in the custody of the Company. If such instrument embraces other objects, a copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.

DIRECTORS

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Number of Directors	153. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than three and not more than twelve.
First Directors	154. The persons hereinafter named shall be the first Directors of the Company:- 1) Sri. Rm. Sabaratnam. B.Com, FCA 2) Sri. S. Ramasamy, M.B.A 3) Sri. S. Kasi, B.E. (Tech)
Appointment of Directors	155. The appointment of Directors of the Company shall be in accordance with the provisions of the Act and these Articles, to the extent applicable.
Debenture Directors	156. Any trust deed for securing Debentures may if so arranged, provide for the appointment, from time to time by the trustees thereof or by the holders of Debentures, of some person to be a Director of the Company and may empower such trustees or holder of Debentures, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The trust deed may contain such ancillary provisions as may be agreed between the Company and the trustees and all such provisions shall have effect notwithstanding any of the other provisions contained herein.
Nominee Director or Corporation Director	157. 1) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any finance corporation or credit corporation or to any financing company or body, (which corporation or body is hereinafter in this Article referred to as the "Corporation") out of any loans granted or to be granted by them to their company for so long as the corporation continue to hold Debentures in the Company by direct subscription or private placement, or so long as the Corporation holds Shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time any person or persons as a Director, whole time or non-whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director(s)") on the Board of the Company and to remove from such office any persons so appointed and to appoint any person or persons in his/ their places. 2) The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s). Such Nominee Director(s) shall not be required to hold any qualification share in the Company. Further, Nominee Director shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Directors(s) shall be entitled to the same rights and privileges and be subject to the obligations as any other Director of the Company. 3) The Nominee Director(s) so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation and the Nominee Director/s so appointed in exercise of the said power, shall ipso facto vacate such office immediately on the moneys owing by the Company to the Corporation being paid off. 4) The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and all the Meetings of the Committee of which the Nominee Director(s) is/are Member(s) as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes. 5) The sitting fees in relation to such Nominee Director(s) shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any other fees, commission, moneys or remuneration in any form is payable to the Nominee Director of the Company, such fees, commission, moneys and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director(s), in connection with their appointment or Directorship, shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s provided that if any such Nominee Director/s is/are an officer(s) of the Corporation. Provided also that in the event of the Nominee Director(s) being appointed as Whole-time Director(s), such Nominee Director/s shall exercise such power and duties as may be approved by the lenders and have such rights as are usually exercised or available to a whole-time Director in the management of the affairs of the Company. Such Nominee Director shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation(s) nominated by him.
Special Director	158. The Company shall subject to the provisions of the Act, be entitled to agree with any person, firm or corporations that he or it shall have the right to appoint him or its nominee or nominees on the Board of Directors of the Company upon such terms and conditions as the Company may deem fit. Such nominee and their successors in office appointed under this Article shall be called "Special Director" of the Company. The Special Directors appointed under this Article shall be entitled to receive all notices of and attend all General Meeting, Board Meeting and meetings of the committee of which the Special

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	<p>Director/s is/are members/s as also the minutes of such meetings. Such Special Directors shall not be required to hold any qualification shares nor be liable to retire by rotation.</p> <p>The Special Directors appointed hereof shall be entitled to hold office until requested to retire by the Person, firm or corporation which may have appointed him/them and not will be liable to retire by rotation. As and when the Special Director vacates office whether upon request as aforesaid or by death, resignation or otherwise, the Person, firm corporation who are or which appointed such Director may appoint any other Director in his place. A Special Director may, at any time, by notice in writing to the Company resign his office. Subject as aforesaid a Special Director shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.</p>
Limit on number of retaining Directors	<p>159.</p> <p>The provisions of Articles 156, 157, 158 and 159 are subject to the provisions of Section 256 of the Act and number of such Directors appointed under Article 157 shall not exceed in the aggregate one third of the total number of Directors for the time being in office.</p>
Alternate Director	<p>160.</p> <p>The Board may appoint, an Alternate Director recommended for such appointment by the Director (hereinafter in this Article called the "Original Director") to act for him during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. Every such Alternate Director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meetings of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such Meetings to have and exercise all the powers and duties and authorities of the Original Director. The Alternate Director appointed under this Article shall vacate office as and when the Original Director returns to the State in which the meetings of the Board are ordinarily held and if the term of office of the Original Director is determined before he returns to as aforesaid, any provisions in the Act or in these Articles for automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not the Alternate Director.</p>
Directors may fill in vacancies	<p>161.</p> <p>The Directors shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date to which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid. However, he shall then be eligible for re-election.</p>
Additional Directors	<p>162.</p> <p>The Directors shall have the power at any time and from time to time to appoint any other person to be a Director as an addition to the Board ("Additional Director") so that the total number of Directors shall not at any time exceed the maximum fixed by these Articles. Any person so appointed as an Additional Director to the Board shall hold his office only upto the date of the next Annual General Meeting and shall be eligible for election at such Meeting.</p>
Qualification Shares	<p>163.</p> <p>A Director need not hold any qualification shares.</p>
Directors' sitting fees	<p>164.</p> <p>The fees payable to a Director for attending each Board meeting shall be such sum as may be fixed by the Board of Directors not exceeding such sum as may be prescribed by the Central Government for each of the meetings of the Board or a Committee thereof and adjournments thereto attended by him. The Directors, subject to the sanction of the Central Government (if any required) may be paid such higher fees as the Company in General Meeting shall from time to time determine.</p>
Extra remuneration to Directors for special work	<p>165.</p> <p>Subject to the provisions of Sections 198, 309, 310, 311 and 314 of the Act, if any Director, being willing shall be called upon to perform extra services (which expression shall include work done by a Director as a Member of any Committee formed by the Directors or in relation to signing share certificate) or to make special exertions in going or residing or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company may remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Director, and such remuneration may be either in addition to or in substitution for his share in the remuneration herein provided.</p> <p>Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a Managing Director may be paid remuneration either:</p> <ol style="list-style-type: none"> 1) by way of monthly, quarterly or annual payment with the approval of the Central Government; or 2) by way of commission if the Company by a Special Resolution authorised such payment.
Traveling expenses incurred by Directors on Company's business	<p>166.</p> <p>The Board of Directors may subject to the limitations provided by the Act allow and pay to any Director who attends a meeting of the Board of Directors or any Committee thereof or General Meeting of the Company or in connection with the business of the Company at a place other than his usual place of residence, for the purpose of attending a Meeting such sum as the Board may consider fair compensation for traveling, hotel, and other incidental expenses properly incurred by him in addition to his fees for attending such Meeting as above specified.</p>
Director may act notwithstanding vacancy	<p>167.</p> <p>The continuing Director or Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the quorum fixed by these Articles for a meeting of the</p>

Title of Article	Article Number and contents
	<p>of competent jurisdiction and the finding is in force;</p> <p>(b) he is an undischarged insolvent;</p> <p>(c) he has applied to be adjudged an insolvent and his application is pending;</p> <p>(d) he has been convicted by a Court of any offence involving moral turpitude sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;</p> <p>(e) he has not paid any call in respect of Shares of the Company held by him whether alone or jointly with others and six months have lapsed from the last day fixed for the payment of the call; or</p> <p>(f) an order disqualifying him for appointment as Director has been passed by a Court in pursuance of Section 203 of the Act and is in force, unless the leave of the Court has been obtained for his appointment in pursuance of that Section.</p>
Vacation of office by Directors	<p>173.</p> <p>1) The office of Director shall become vacant if:-</p> <p>(a) he is found to be of unsound mind by a Court of competent jurisdiction; or</p> <p>(b) he applies to be adjudged an insolvent; or</p> <p>(c) he is adjudged an insolvent; or</p> <p>(d) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for less than six months; or</p> <p>(e) he fails to pay any call in respect of Shares of the Company held by him, whether alone or jointly with others within six months from the last date fixed for the payment of the call unless the Central Government, by a notification in the Official Gazette removes the disqualification incurred by such failure; or</p> <p>(f) absents himself from three consecutive meetings of the Board of Directors, or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board; or</p> <p>(g) he (whether by himself or by any person for his benefit or on his account or any firm in which he is a partner or any private company of which he is a director), accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or</p> <p>(h) he being in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company fails to disclose the nature of his concern or interest at a meeting of the Board of Directors as required by Section 299 of the Act; or</p> <p>(i) he becomes disqualified by an order of the Court under Section 203 of the Act; or</p> <p>(j) he is removed by an Ordinary Resolution of the Company before the expiry of his period of notice; or</p> <p>(k) if by notice in writing to the Company, he resigns his office; or</p> <p>(l) having been appointed as a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.</p>
Vacation of office by Directors (contd.)	<p>174.</p> <p>Notwithstanding anything contained in sub-clauses (c), (d) and (i) of sub clause (1) of Article 173, the disqualification referred to in these clauses shall not take effect</p> <p>1) for thirty days from the date of the adjudication, sentence or order;</p> <p>2) where any appeal or petition is preferred within thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or</p> <p>3) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.</p>

Title of Article	Article Number and contents
Removal of Directors	<p>175.</p> <ol style="list-style-type: none"> 1) The Company may subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles by Ordinary Resolution remove any Director not being a Director appointed by the Central Government in pursuance of Section 408 of the Act before the expiry of his period of office. 2) Special Notice as provided by these Articles or Section 190 of the Act; shall be required of any resolution to remove a Director under the Article or to appoint some other person in place of a Director so removed at the Meeting at which he is removed. 3) On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a Member of a Company) shall be entitled to be heard on the resolution at the Meeting. 4) where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding reasonable length) and requests their notification to Members of the Company, the Company shall, unless the representations are, received by it too late for it to do so: <ol style="list-style-type: none"> (a) in the notice of the resolution given to the Members of the Company state the fact of the representations having been made, and (b) send a copy of the representations to every Member of the Company to whom notice of the Meeting is sent (before or after the representations by the Company) and if a copy of the representations is not sent as aforesaid because they were received too late/or because of the Company's default the Director may (without prejudice to his right to be heard orally) require that the representation shall be read out at the Meeting; provided that copies of the representation need not be sent or read out at the Meeting if on the application, either of the Company or of any other person who claims to be aggrieved by the Court is satisfied that the rights concerned by this sub-clause are being abused to secure needless publicity for defamatory matter. 5) A vacancy created by the removal of the Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board, in pursuance of Article 142 or Section 262 of the Act be filled by the: appointment of another Director in his place by the Meeting at which he is removed, provided special notice of the intended appointment has been given under sub clause (2) hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid. 6) If the vacancy is not filled under sub-clause(e), it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable of Article 142 or Section 162 of the Act, and all the provisions of that Article and Section shall apply accordingly. 7) A Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors. 8) Nothing contained in this Article shall be taken:- <ol style="list-style-type: none"> (a) as depriving a person removed hereunder of any compensation of damages payable to him in respect of the termination of his appointment as Director, or (b) as derogating from any power to remove a Director which may exist apart from this Article.
Interested Directors not to participate or vote in Board's proceedings	<p>175A.</p> <p>No Director shall, as a Director take part in the discussion of or vote on any contract arrangement or proceedings entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or voting, and if he does vote, his vote shall be void. Provided however, that nothing herein contained shall apply to:</p> <ol style="list-style-type: none"> 1) any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company; 2) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely; <ol style="list-style-type: none"> (a) in his being: <ol style="list-style-type: none"> (i) a director of such company; and (ii) the holder of not more than shares of such number of value therein as is requisite to qualify him for appointment as a director, thereof, he having been nominated as director by the company, or (b) in his being a member holding not more than two percent of its paid-up Share Capital.
Director may be director of companies promoted by the	<p>176.</p> <p>A Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or shareholder of such company except in so far Section 309(6) or Section 314 of the Act may be applicable.</p>

Title of Article	Article Number and contents
Company	

ROTATION AND APPOINTMENT OF DIRECTORS

Title of Article	Article Number and contents
Rotation of Directors	177. Not less than two third of the total number of Directors shall (a) be persons whose period of the office is liable to termination by retirement by rotation and (b) save as otherwise expressly provided in the Articles be appointed by the Company in General Meeting.
Retirement of Directors	178. Subject to the provisions of Articles 158 and 160, the non-retiring Directors should be appointed by the Board for such period or periods as it may in its discretion deem appropriate.
Retiring Directors	179. Subject to the provisions of Section 256 of the Act and Articles 156 to 163, at every Annual General Meeting of the Company, one-third or such of the Directors for the time being as are liable to retire by rotation; or if their number is not three or a multiple of three the number nearest to one-third shall retire from office. The Debenture Directors, Nominee Directors, Corporation Directors, Managing Directors if any, subject to Article 193 shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a "Retiring Director" means a Director retiring by rotation.
Appointment of Technical Directors	180.. 1) The Board of Directors shall have the right from time to time to appoint any person or persons as Technical Director and remove any such persons from time to time without assigning any reason whatsoever. A Technical Director shall not be required to hold any qualification shares and shall not be entitled to vote at any meeting of the Board of Directors. 2) Subject to the provisions of Section 262 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.
Ascertainment of Directors retiring by rotation and filling of vacancies	181. Subject to Section 288(5) of the Act, the Directors retiring by rotation under Article 182 at every Annual General Meeting shall be those, who have been longest in office since their last appointment, but as between those who became Directors on the same day those who are to retire shall in default of and subject to any agreement amongst themselves be determined by the lot.
Eligibility for re-election	182. A retiring Director shall be eligible for re-election and shall act as a Director throughout and till the conclusion of the Meeting at which he retires.
Company to fill vacancies	183. Subject to Sections 258, 259 and 294 of the Act, the Company at the General Meeting, at which a Director retires in manner aforesaid, may fill up the vacancy by appointing the retiring Director or some other person thereto.
Provision in default of appointment	184. 1) If the place of retiring Director is not so filled up and the Meeting has not expressly resolved not to fill the vacancy, the Meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place. 2) If at the adjourned Meeting also, the place of the retiring Director is not filled up and the Meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned Meeting, unless: (c) at that Meeting or the previous Meeting a resolution for the re-appointment of such Director has been put to the Meeting and lost; or (d) the retiring Director has by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so re-appointed; or (e) he is not qualified or is disqualified for appointment; or (f) a resolution, whether Special or Ordinary is required for his appointment or re-appointment by virtue of any provisions of the Act, or (g) the provision of the sub-section (2) of section 263 of the Act is applicable to the case.
Company may increase or reduce the number of Directors or remove any Director	185. Subject to the provisions of Section 252, 255 and 259 of the Act, the Company may by Ordinary Resolution from time to time, increase or reduce the number of Directors and may alter qualifications.
Appointment of Directors to be voted individually	186. 1) No motion at any General Meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the Meeting without any vote being given against it. 2) A resolution moved in contravention of clause (a) hereof shall be void, whether or not objection

Title of Article	Article Number and contents
	<p>was taken at the time of its being so moved, provided where a resolution so moved has passed no provisions or the automatic re-appointment of retiring Directors in default of another appointment as therein before provided shall apply.</p> <p>3) For the purposes of this Article, a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his appointment.</p>
Notice of candidature for office of Directors except in certain cases	<p>187.</p> <p>1) No person not being a retiring Director shall be eligible for election to the office of Director at any General Meeting unless he or some other Member intending to propose him has given atleast fourteen days' notice in writing under his hand signifying his candidature for the office of a Director or the intention of such person to propose him as Director for that office as the case may be, along with a deposit of five hundred rupees which shall be refunded to such person or, as the case may be, to such Member, if the person succeeds in getting elected as a Director.</p> <p>2) The Company shall inform its Members of the candidature of the person for the office of Director or the intention, of a Member to propose such person as candidate for that office by serving individual notices on the Members not less than seven days before the Meeting provided that it shall not be necessary for the Company to serve individual notices upon the Members as aforesaid if the Company advertises such candidature or intention not less than seven days before the Meeting in at least two newspapers circulating in the place where the registered office of the Company is located of which one is published in the English language and the other in the regional language of that place.</p> <p>3) Every person (other than Director retiring by rotation or otherwise or person who has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office a Director shall sign and file with the Company his consent in writing to act as a Director, if appointed.</p> <p>4) A person other than:</p> <p>(a) a Director appointed after retirement by rotation or immediately on the expiry of his term of office; or</p> <p>(b) an Additional or Alternate Director or a person filling a casual vacancy in the office of a Director under Section 252 of the Act be appointed as a Director re- appointed as an additional or alternate Director immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filled with the Registrar his consent in writing to act as such Director.</p>
Disclosure by Directors of their holdings of their Shares and Debentures of the Company	<p>188.</p> <p>Every Director and every person deemed to be Director of the Company by virtue of sub-section (10) of Section 307 of the Act shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section of the Act. Any such notice shall be given in writing and if it is not given at a meeting of the Board the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the next meeting of the Board after it is given.</p>
Votes of Body Corporate	<p>189.</p> <p>A body corporate, whether a company within the meaning of the Act or not, which is a member of the Company, may by resolution of its Board of Directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the company or at any meeting of any class of members of the company and the persons so authorized shall be entitled to exercise the same rights and power (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise as if it were as individual member of the company and the production of a copy of the Minutes of such resolution certified by a director or the copy of the Minutes of such resolution certified by a Director or the or the Secretary of such body corporate as being a true copy of the Minutes of such resolution shall be accepted as sufficient evidence of the validity of the said representative's appointment and of his right to vote.</p>

MANAGING DIRECTOR

Title of Article	Article Number and contents
Powers to appoint Managing Director	<p>190.</p> <p>1) Subject to the provisions of the Act, the Board may from time to time appoint one or more of their body to the office of Managing Directors for such period and on such terms it may think fit and subject to the terms of any agreement entered into with him may revoke such appointment, in making such appointment(s) the Board shall ensure compliance with the requirements of law and seek and obtain such approvals as are prescribed by the Act.</p> <p>Subject to the provisions of the Act and these Articles, the Managing Directors or Managing Director shall not while he or they continue to hold that office be liable to retirement by rotation but he or they shall subject to the provisions of any contract between him and them and the Company, be subject to same provisions as to resignation and removal as the other Directors of the Company and he or they shall ipso-facto and immediately cease to be Managing Director or Managing Directors if he or they cease to hold the office of the Director for any cause.</p>

Title of Article	Article Number and contents
Remuneration of Managing Director	191. The Managing Director or Managing Directors may be paid remuneration either by way of monthly payment or a specified percentage of the net profit of the Company or partly by one way and partly by other or any other mode not expressly prohibited by the Act.
Certain persons not to be appointed Managing Director(s)	192. The Company shall not appoint or employ or continue the appointment or employment of a person as its Managing Director or Whole-time Director who- 1) is an undischarged insolvent or has at any time been adjudged an insolvent; or 2) suspends, or has at any time suspended payment to his creditors, or makes, or has at any time made, a composition with them; or 3) is or has at any time been convicted by a court of an offence involving moral turpitude.
Powers of Managing Director	193. The Director may from time to time entrust to and confer upon a Managing Director or Wholetime Director for the time being such of the powers exercisable under these provisions by the Directors, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient, and they may confer such powers, either collaterally with, or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and from time to time, revoke, withdraw, alter, or vary all or any of such powers.
	194. The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole time Director or Whole time Directors of the Company and may exercise all the powers referred to in these Articles.
	195. The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.
	196. Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.
Appointment and powers of Manager	197. The Board may, from time to time, appoint any Manager (under Section 2(24) of the Act) to manage the affairs of the Company. The Board may from time to time entrust to and confer upon a Manager such of the powers exercisable under these Articles by the Directors, as they may think fit, and may, confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient.

WHOLE TIME DIRECTOR

Title of Article	Article Number and contents
Power to appoint Whole Time Director and/or Whole-time Directors	198. 1) Subject to the provisions of the Act in force from time to time, the Board may appoint one or more of their body to the office of the Whole Time Director of Whole Time Directors for a term not exceeding 5 years at a time as may be thought fit and may from time to time (subject to provisions of any contract between him/them and the Company) remove or dismiss him or them from office and appoint any or others in or their place or places. 2) Subject to the provisions of the Act and these Articles, the Whole-time Directors or Whole-time Directors shall not while he or they continue to hold that office be subject to retirement by rotation but he or they shall subject to the provisions of any contract between him/ them and the Company, be subject to same provisions as to resignation and removal as the other Directors of the Company and he or they shall ipso-facto and immediately cease to be Whole-time Director or Whole-time Directors if he or they cease to hold the office of the Director for any cause.
To what provisions Whole time Directors shall subject	199. Whole Time Director or Whole Time Directors shall carry out such functions as may be assigned to him/them by the Board from time to time or the Board of directors as it may deem fit. Whole Time Director/Managing Director shall not be paid sitting fees for attending meeting of the Board of Directors or any committee(s) thereof.
Resignation of office of Managing Director & Whole Time Director	200. Acceptance by the Board of the resignation laid by the Managing or Whole Time Director is necessary for the resignation to be effective.
Applicability of certain sections.	201. Subject to the provisions of Sections 198, 269, 309, 310 and 311 of the Act, the appointment and payment of remuneration to the Managing Director, Whole Time Director or Manager

	shall be subject to approval of the Members in general meeting subject to the conditions of Schedule XIII of the Act and/or with the approval of the Central Government.
Seniority of Whole Time Director and Managing Director	202. If at any time the total number of Managing Directors and Whole Time Directors is more than one-third who shall retire shall be determined by and in accordance with their respective seniorities. For the purpose of this Article the seniorities of the Whole Time Directors and Managing Directors shall be determined by the date of their respective appointments as Whole Time Directors and Managing Directors of the Company.

PROCEEDINGS OF THE BOARD OF DIRECTORS

Title of Article	Article Number and contents
Meeting of Directors	203. The Directors may meet together as a Board for the dispatch of business from time to time and unless the Central Government by virtue of the provisions of Section 285 of the Act allows otherwise, Directors shall so meet at least once in every three months and atleast four such Meetings shall be held in every year. The Directors may adjourn and otherwise regulate their Meetings as they think fit. The provisions of this Article shall not be deemed to have been contravened merely by reason of the fact that the meeting of the Board which had been called in compliance with the terms of this Article could not be held for want of a quorum.
Quorum	204. 1) Subject to Section 287 of the Act the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in that one third being rounded off as one) or two Directors whichever is higher. PROVIDED that where at any time the number of interested Directors at any meeting exceeds or is equal to two-third of the Total Strength, the number of the remaining Directors that is to say, the number of remaining who are not interested) present at the Meeting being not less than two shall be the quorum during such time. 2) for the purpose of clause (1) (a) "Total Strength" means total strength of the Board of Directors of the Company determined in pursuance of the Act after deducting there from number of the Directors if any, whose places may be vacant at the time, and (b) "Interested Directors" means any Directors whose presence cannot by reason of any provisions in the Act count for the purpose of forming a quorum at a meeting of the Board at the time of the discussion or vote on any matter.
Procedure when Meeting adjourned for want of quorum	205. If a meeting of the Board could not be held for want of quorum then, the Meeting shall automatically stand, adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place, unless otherwise adjourned to a specific date, time and place.
Chairman of Meeting	206. The Chairman of the Board of Directors shall be the Chairman of the meetings of Directors, provided that if the Chairman of the Board of Directors is not present within five minutes after the appointed time for holding the same, meeting of the Director shall choose one of their members to be Chairman of such Meeting.
Question at Board meeting how decided	207. Subject to the provisions of Sections 316, 372(5) and 386 of the Act, questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of any equality of votes, the Chairman shall have second or casting vote.
Powers of Board meeting	208. A meeting of the Board of Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act, or the Articles for the time being of the Company which are vested in or exercisable by the Board of Directors generally.
Directors may appoint Committee	209. The Board of Directors may subject to the provisions of Section 292 and other relevant provisions of the Act, and of these Articles delegate any of the powers other than the powers to make calls and to issue debentures to such Committee or Committees and may from time to time revoke and discharge any such Committee of the Board, either wholly or in part and either as to the persons or purposes, but every Committee of the Board so formed shall in exercise of the powers so delegated conform to any regulation(s) that may from time to time be imposed on it by the Board of Directors. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointments, but not otherwise, shall have the like force and effect, as if done by the Board.
Meeting of the Committee how to be governed	210. The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding article. Quorum for the Committee meetings shall be two.
Circular resolution	211. 1) A resolution passed by circulation without a meeting of the Board or a Committee of the Board

Title of Article	Article Number and contents
	<p>appointed under Article 208 shall subject to the provisions of sub-clause (2) hereof and relevant provisions of the Act, be as valid and effectual as the resolution duly passed at a meeting of Directors or of a Committee duly called and held.</p> <p>2) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation if the resolution has been circulated in draft together with necessary papers if any to all the Directors, or to all the members of the Committee then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be) and to all other Directors or members of the Committee at their usual addresses in India or to such other addresses outside India specified by any such Directors or members of the Committee and has been approved by such of the Directors or members of the Committee, as are then in India, or by a majority of such of them as are entitled to vote on the resolution.</p>
Acts of Board or Committee valid notwithstanding defect in appointment	<p>212.</p> <p>All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid; or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provision contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director; provided nothing in the Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.</p>

POWERS OF THE BOARD

Title of Article	Article Number and contents
General powers of management vested in the Board of Directors	<p>213.</p> <p>The Board may exercise all such powers of the Company and do all such acts and things as are not by the Act or any other laws or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid Articles, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.</p> <p>Provided that the Board shall not, except with the consent of the Company in General Meeting :</p> <ol style="list-style-type: none"> 1) 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; 2) remit or give time for the repayment of any debt due by a Director; 3) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition or any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time; 4) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; 5) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year exceed fifty thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial years immediately preceding whichever is greater provided that the Company in the General Meeting or the Board of Directors shall not contribute any amount to any political party or for any political purposes to any individual or body: <ol style="list-style-type: none"> (a) Provided that in respect of the matter referred to in clause (4) and clause (5) such consent shall be obtained by a resolution of the Company which shall specify the total amount upto which moneys may be borrowed by the Board under clause (4) or as the case may be total amount which may be contributed to charitable or other funds in a financial year under clause (5) (b) Provided further that the expression "temporary loans" in clause (4) above shall mean loans repayable on demand or within six months from the date of the loan such as short term cash credit arrangements, the discounting of bills and the issue of other short term loans of a seasonal character but does not include loans raised for the purpose of financing expenditure of a capital nature.
Certain powers to be exercised by the Board only at Meetings	<p>214.</p> <ol style="list-style-type: none"> 1) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at the meeting of the Board; <ol style="list-style-type: none"> (a) the power to make calls on shareholders in respect of money unpaid on their Shares:

Title of Article	Article Number and contents
	<p>(b) the power to issue Debentures;</p> <p>(c) the power to borrow moneys otherwise than on Debentures;</p> <p>(d) the power to invest the funds of the Company; and</p> <p>(e) the power to make loans.</p> <p>Provided that the Board may by resolution passed at a Meeting delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company, the powers specified in sub-clause (3), (4) and (5) to the extent specified below:</p> <p>2) Every resolution delegating the power referred to in sub-clause (1) (c) above shall specify the total amount outstanding at any one time upto which moneys may be borrowed by the delegate;</p> <p>3) Every resolution delegating the power referred to in sub-clause (1) (d) above shall specify the total amount upto which the funds of the Company may be invested, and the nature of the investments which may be made by the delegate;</p> <p>4) Every resolution delegating the power referred to in sub-clause (1) (e) above shall specify the total amount upto which loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.</p>
Certain powers of the Board	<p>215.</p> <p>Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers and without prejudice to the other powers conferred by these Articles but subject to the restrictions contained in the last preceding Article it is hereby declared that the Directors shall have the following powers, that is to say, power:</p> <p>1) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company;</p> <p>2) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 76 and 208 of the Act;</p> <p>3) Subject to Sections 292 and 297 and other applicable provisions of the Act to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorised to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;</p> <p>4) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in Shares, bonds, Debentures, mortgages, or otherwise securities of the Company, and any such Shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;</p> <p>5) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit;</p> <p>6) To accept from any Member, as far as may be permissible by law to a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed;</p> <p>7) To appoint any person to accept and hold in trust for the Company any property belonging to the Company in which it is interested or for any other purpose and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;</p> <p>8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon either according to Indian law or according to foreign law and either in India or abroad and to observe and perform or challenge any award made thereon;</p> <p>9) To act on behalf of the Company in all matters relating to bankruptcy and insolvency, winding up and liquidation of companies;</p> <p>10) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company;</p> <p>11) Subject to the provisions of Sections 291, 292, 295, 370, 372 and all other applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being Shares of this Company) or without security and in such manner as they may think fit and from time to time vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.</p> <p>12) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon;</p> <p>13) To open bank account and to determine from time to time who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose;</p> <p>14) To distribute by way of bonus amongst the staff of the Company a Share or Shares in the profits of the Company and to give to any Director, officer or other person employed by the Company a</p>

Title of Article	Article Number and contents
	<p>commission on the profits of any particular business or transaction and to charge such bonus or commission as a part of the working expenses of the Company;</p> <p>15) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons by building or contributing to the building of houses, dwelling or chawls or by grants of moneys, pension, gratuities, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 293(1)(e) of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or of the public and general utility or otherwise;</p> <p>16) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund or to an insurance fund or as reserve fund or any special fund to meet contingencies or to repay redeemable preference shares or Debentures or debenture stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purpose referred to in the preceding clause), as the Board may in their absolute discretion, think conducive to the interest of the Company and subject to Section 292 of the Act, to invest several sums so set aside or so much thereof as required to be invested upon such investments (other than Shares of the Company) as they may think fit and from time to time to deal with and vary such investments and dispose of and apply and expend all or any such part thereof for the benefit of the Company in such a manner and for such purposes as the Board in their absolute discretion think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the general reserve or reserve fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of reserve fund or division of a reserve fund and with full power to employ the assets constituting all or any of the above funds including the depreciation fund in the business of the Company or in the purchase or repayment of redeemable preference shares or Debentures or debenture stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper;</p> <p>17) To appoint, and at their discretion, remove or suspend such general managers, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisors, research workers, labourers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their salaries or emoluments or remuneration and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think and the provisions contained in the four next following sub-clauses shall be without prejudice to the general conferred by this sub-clause;</p> <p>18) (17A) To appoint or authorize appointment of officers, clerks and servants for permanent or temporary or special services as the Board may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require securities in such instances and of such amounts as the Board may think fit and to remove or suspend any such officers, clerks and servants. Provided further that the Board may delegate matters relating to allocation of duties, functions, reporting, etc. of such persons to the Managing Director or Manager;</p> <p>19) From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such local Boards, and to fix their remuneration or salaries or emoluments.</p> <p>20) Subject to Section 292 of the Act, from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board other than their power to make calls or to make loans or borrow money and to authorise the members for the time being of any such local Board or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such terms and subject to such conditions as the Board may think fit and Board may at any time remove any person so appointed and may annul or vary any such delegation.</p> <p>21) At any time and from time to time by Power of Attorney under the Seal of the Company to appoint any person or person to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and subject to the provisions of Section 292 of the Act) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of any company or the shareholders, Directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers authorities and</p>

Title of Article	Article Number and contents
	<p>discretions for the time being vested in them;</p> <p>22) Subject to Sections 294 and 297 and other applicable provisions of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient;</p> <p>23) From time to time to make, vary and repeal bye-laws for the regulations of the business of the Company its officers and servants;</p> <p>24) To purchase or otherwise acquire any land, buildings, machinery, premises, hereditaments, property, effects, assets, rights, credits, royalties, business and goodwill of any joint stock company carrying on the business which the Company is authorized to carry on in any part of India;</p> <p>25) To purchase, take on lease, for any term or terms of years, or otherwise acquire any factories or any land or lands, with or without buildings and out-houses thereon, situated in any part of India at such price or rent and under and subject to such terms and conditions as the Directors may think fit. And in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;</p> <p>26) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as it may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of the Company either separately or jointly also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;</p> <p>27) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how;</p> <p>28) To sell from time to time any articles, materials, machinery, plants, stores and other articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products;</p> <p>29) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient;</p> <p>30) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on freehold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate;</p> <p>31) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested;</p> <p>32) To let, sell or otherwise dispose of subject to the provisions of Section 293 of the Act and of the other Articles any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit;</p> <p>33) Generally subject to the provisions of the Act and these Articles to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid;</p> <p>34) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p>

MANAGEMENT

<i>Title of Article</i>	<i>Article Number and contents</i>
Prohibition of simultaneous appointment of different categories of managerial personnel	<p>216. The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel namely:</p> <ol style="list-style-type: none"> 1) Managing Director; and 2) Manager.

MINUTES

Title of Article	Article Number and contents
Minutes to be made	<p>217.</p> <ol style="list-style-type: none"> 1) The Company shall cause minutes of all proceedings of General Meeting and of all proceedings of every meeting of the Board of Directors or every Committee thereof within thirty days of the conclusion of every such meeting concerned by making entries thereof in books kept for that purpose with their pages consecutively numbered. 2) Each page of every such books shall be initialed or signed and the last page of the record of proceedings of each Meeting in such books shall be dated and signed:

Title of Article	Article Number and contents
	<ol style="list-style-type: none"> 1) in the case of minutes of proceedings of a meeting of Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting. 2) in the case of minutes of proceeding of the General Meeting, by the Chairman of the said meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period by a Director duly authorized by the Board for the purpose.
Minutes to be evidence of the proceeds Books of minutes of General Meeting to be kept	<p>218.</p> <ol style="list-style-type: none"> 1) The minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board or every Committee kept in accordance with the provisions of Section 193 of the Act shall be evidence of the proceedings recorded therein. 2) The books containing the aforesaid minutes shall be kept at the Registered Office of the Company and be open to the inspection of any Member without charge as provided in Section 196 of the Act and any Member shall be furnished with a copy of any minutes in accordance with the terms of that Section.
Presumptions	<p>219.</p> <p>Where the minutes of the proceedings of any General Meeting of the Company or of any meeting of the Board or of a Committee of Directors have been kept in accordance with the provisions of Section 193 of the Act, until the contrary is proved, the meeting shall be deemed to have been duly called and held all proceedings thereat to have been duly taken place and in particular all appointments of Directors or liquidators made at the meeting shall be deemed to be valid.</p>

THE SECRETARY

Title of Article	Article Number and contents
Secretary	<p>220.</p> <p>The Directors may from time to time appoint and at their discretion, remove any individual (hereinafter called “the Secretary”) to perform any functions, which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties which may from time to time be assigned to the Secretary by the Directors. The Directors may also at any time appoint some person (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall be made according to the provisions of the Companies (Appointment and Qualifications of Secretary) Rules, 1988.</p>
The Seal, its custody and use	<p>221.</p> <ol style="list-style-type: none"> 1) Seal The Board shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. 2) Common Seal for use outside India The Board may for the purpose of use of the Common Seal outside India, cause a facsimile of the Common Seal to be made and authorize the use of it in the manner provided under Section 50 of the Companies Act, 1956 3) Safe Custody of Seal The Common Seal shall be in the safe custody of the Director or the Secretary for the time being of the Company. 4) Affixing of Seal on deeds and instruments On every deed or instrument on which the Common Seal of the Company is required to be affixed, the Seal be affixed in the presence of a Director or a Secretary or any other person or persons authorised in this behalf by the Board, who shall sign every such deed or instrument to which the Seal shall be affixed. 5) Affixing of Seal on Share Certificates Notwithstanding anything contained in Clause (d) above, the Seal on Share certificates shall be affixed in the presence of such persons as are authorised from time to time to sign the Share certificates in accordance with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 in force for the time being. 6) Removal of Common Seal outside the office premises The Board may authorize any person or persons to carry the Common Seal to any place outside the Registered Office inside or outside for affixture and for return to safe custody to the Registered Office.

DIVIDENDS AND CAPITALISATION OF RESERVES

Title of Article	Article Number and contents
Dividend Entitlement	<p>221A. The holders of Class II equity shares shall be entitled to dividend on each Class II share which shall be three per cent less than the rate of dividend declared by the Board for Class I equity shares.</p>
Division of profits	<p>222.</p> <ol style="list-style-type: none"> 1) Subject to the rights of persons, if any, entitled to equity Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of equity Share in the Company, dividends may be declared and paid according to the amounts of the equity Shares; 2) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this Article as paid on the equity Shares.
The Company at	<p>223.</p>

Title of Article	Article Number and contents
General Meeting may declare dividend	The Company in General Meeting may declare dividends, to be paid to equity shareholders according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 207 of the Act but no dividends shall exceed the amount recommended by the Board of Directors. However, the Company may declare a smaller dividend than that recommended by the Board in General Meeting.
Dividends out of profits only	224. No dividend shall be payable except out of profits of the Company arrived at the manner provided for in Section 205 of the Act.
Interim dividend	225. The Board of Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies.
Debts may be deducted	226. 1) The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists. 2) The Board of Directors may retain the dividend payable upon the equity shares in respect of which any person is, under the Transmission Clause, entitled to become a Member or which any person under that Article is entitled to transfer until such person shall become a Member or shall duly transfer the same.
Capital paid-up in advance as interest not to earn dividend	227. Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.
Dividends in proportion to amounts paid-up	228. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the equity shares during any portion or portions of the period in respect of which the dividend is paid, but if any equity share is issued on terms provided that it shall rank for dividends as from a particular date, such equity share shall rank for dividend accordingly.
No Member to receive dividend while indebted to the Company and the Company's right in respect thereof	229. No Member shall be entitled to receive payment of any interest or dividend or bonus in respect of his equity share(s), whilst any money may be due or owing from him to the Company in respect of such equity share(s) (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any Member all such sums of money so due from him to the Company.
Effect of transfer of Shares	230. A transfer of equity shares shall not pass the right to any dividend declared therein before the registration of the transfer.
Dividend to joint holders	231. Any one of several persons who are registered as joint holders of equity shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such equity shares.
Dividend how remitted	232. The dividend payable in cash may be paid by cheque or warrant sent through post directly to registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders who is first named on the Register of Members or to such person and to such address as the holder or joint holders may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transit or for any dividend lost, to the Member or person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.
Notice of dividend	233. Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holders of equity share in the manner herein provided.
Reserves	234. The Directors may, before recommending or declaring any dividend on equity shares set aside out of the profits of the Company such sums as they think proper as reserve or reserves, which shall, at the discretion of the Directors, be applicable for meeting contingencies or for any other purposes to which the profits of the Company may be properly applied and pending such application, may at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit.
Dividend to be paid within time required by law.	235. The Company shall pay the dividend, or send the warrant in respect thereof to the shareholders of equity shares entitled to the payment of dividend, within such time as may be required by law from the date of the declaration unless:- 1) where the dividend could not be paid by reason of the operation on any law; or 2) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with; or 3) where there is dispute regarding the right to receive the dividend; or 4) where the dividend has been lawfully adjusted by the Company against any sum due to it from shareholder; or 5) where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

Title of Article	Article Number and contents
Unpaid or unclaimed dividend	<p>236.</p> <p>Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, to any shareholder entitled to the payment of dividend, the Company shall within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty days, to a special account to be opened by the Company in that behalf in any scheduled bank and Unpaid Dividend Account of Ind Eco Ventures Limited".</p> <p>Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the fund known as Investor Education and Protection Fund established under section 205C of the Act.</p> <p>There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.</p>
Set-off of calls against dividends	<p>237.</p> <p>Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the Meeting fixes but so that the call on each Member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Members, be set off against the calls.</p>
Dividends in cash	<p>238.</p> <p>No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalisation of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any equity shares held by Members of the Company.</p>
Capitalisation	<p>239.</p> <ol style="list-style-type: none"> 1) The Company in General Meeting may, upon the recommendation of the Board, resolve: <ol style="list-style-type: none"> (a) That is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportion. 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; <ol style="list-style-type: none"> (a) paying up any amount for the time being unpaid on any equity shares held by such Members respectively, or (b) paying up in full unissued equity shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst Members in the proportion aforesaid, or (c) partly in the way specified in sub clause (a) and partly in that specified in sub-clause(b) 3) A security premium account and capital redemption reserve account may, for the purpose of this Article, only be applied in the paying up of unissued equity shares to be issued to Members of the Company as fully paid bonus shares.
Board to give effect	<p>240.</p> <p>The Board shall give effect to the resolution passed by the Company in pursuance of above Article.</p>
Fractional certificates	<p>241.</p> <ol style="list-style-type: none"> 1) Whenever such a resolution as aforesaid shall have been passed, the Board shall: <ol style="list-style-type: none"> (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid equity shares; and (b) Generally do all acts and things required to give effect thereto. 2) The Board shall have full power: <ol style="list-style-type: none"> (a) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of equity shares becoming distributable in fractions; 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 equity shares to which they may be entitled upon such capitalisation or (as the case may require) for the payment by the Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalised of the amounts remaining unpaid on their existing equity shares. 3) Any agreement made under such authority shall be effective and binding on all such Members. 4) That for the purpose of giving effect to any resolution under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.

ACCOUNTS

Title of Article	Article Number and Contents
Books to be kept	<p>242.</p> <ol style="list-style-type: none"> 1) The Company shall keep at its Registered Office proper books of account as would give a true and fair view of the state of affairs of the Company or its transactions with respect to: <ol style="list-style-type: none"> (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place; (b) all sales and purchases of goods by the Company; (c) the assets and liabilities of the Company; and (d) if so required by the Central Government, such particulars relating to utilisation of material or labour or to other items of cost as may be prescribed by the Government. <p>Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides the Company shall within seven days of the decision file with the Registrar a notice in writing, giving the full address of that other place.</p> <ol style="list-style-type: none"> 2) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of sub-clause (1) if proper books of account relating to the transaction effected at the branch are kept at that office and proper summarised returns made upto date at intervals of not more than three months are sent by the branch office to the Company at its Registered Office or the other place referred to in sub-clause (1). The books of accounts and other books and papers shall be open to inspection by any Director during business hours.
Inspection by Members	<p>243.</p> <p>No Members (not being a Director) shall have any right of inspecting any account books or documents of the Company except as allowed by law or authorised by the Board.</p>
Statements of accounts to be furnished to General Meeting	<p>244.</p> <p>The Board of Directors shall from time to time in accordance with Sections 210,211,212, 216 and 217 of the Act, cause to be prepared and laid before each Annual General Meeting, a profit and loss account for the financial year of the Company and a balance sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the Meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.</p>
Right of Members or others to copies of balance sheet and Auditors' report and statement under Section 219	<p>245.</p> <ol style="list-style-type: none"> 1) The Company shall comply with the requirements of Section 219 of the Act. 2) The copies of every balance sheet including the Profit & Loss Account, the auditors' report and every other document required to be laid before the Company in General Meeting shall be made available for inspection at the Registered Office of the Company during working hours for a period of 21 days before the Annual General Meeting. <p>A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as the Company may deem fit will be sent to every Member of the Company and to every trustee of the holders of any Debentures issued by the Company not less than 21 days before the date of the Meeting.</p>
Accounts to be audited	<p>246.</p> <p>Once at least in every year the accounts of the Company shall be examined, balanced and audited and the correctness of the profit and loss Account and the balance sheet ascertained by one or more auditor or auditors.</p>
Appointment of Auditors	<p>247.</p> <ol style="list-style-type: none"> 1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Sections 224 to 229 and 231 of the Act. 2) The Company shall at each Annual General Meeting appoint an auditor or auditors to hold office from conclusion of that Meeting until the conclusion of the next Annual General Meeting and shall within seven days of the appointment give intimation thereof to the auditor so appointed unless he is a retiring auditor. 3) At any Annual General Meeting a retiring auditor by whatsoever authority appointed shall be reappointed unless: <ol style="list-style-type: none"> (a) he is not qualified for re-appointment; (b) he has given to the Company notice in writing of his unwillingness to be re-appointed; (c) a resolution has been passed at that Meeting appointing somebody instead of him or providing expressly that he shall not be re-appointed; or (d) where notice has been given of an intended resolution to appoint some person or persons in the place of retiring auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons as the case may be, the resolution cannot be proceeded with. 4) Where at any Annual General Meeting no auditors are appointed or re-appointed, the Central Government may appoint a person to fill the vacancy.

Title of Article	Article Number and Contents
	<p>5) The Company shall within seven days of the Central Government's power under sub-clause (4) becoming exercisable give notice of that fact to that Government.</p> <p>6) The Directors may fill any casual vacancy in the office of auditors, but while any such vacancy continues, the surviving or continuing auditor or auditors (if any) may act but where such vacancy is caused by the resignation of art Auditor, the vacancy shall only be filled by the Company in General Meeting.</p> <p>7) A person, other than a retiring auditor, shall not be capable of being appointed at an Annual General Meeting unless a special notice of a resolution for appointment of that person to the office of auditor has been given by a Member to the Company not less than fourteen days before the Meeting in accordance with Section 190 of the Act and the Company shall send a copy of any such notice to retiring auditor and shall give notice thereof, to the Members in accordance with Section 190 of the Act and all the other provisions of Section 225 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that retiring auditor shall not be re-appointed.</p>
Accounts when audited and approved to be conclusive except as to errors discovered within 3 months	<p>248. Every account when audited and approved by a General Meeting shall be conclusive except as regards any errors discovered therein within the next three months after the approval thereof. Whenever any such error is discovered within that period, the account shall be corrected, and amendments effected by the Directors in pursuance of this Article shall be placed before the Members in General Meeting for their consideration and approval and on such approval shall be conclusive.</p>

DOCUMENTS AND NOTICES

Title of Article	Article Number and Contents
To whom documents must be served or given	<p>249. Document or notice of every Meeting shall be served or given on or to (a) every Member; (b) every person entitled to a Share in consequence of the death or insolvency of a Member; and (c) the auditor or auditors for the time being of the Company, PROVIDED THAT when the notice of the Meeting is given by advertising the same in newspaper circulating in the neighborhood of the office of the Company under Article 117, a statement of material facts referred to in Article 118 need not be annexed to the notice, as is required by that Article, but it shall merely be mentioned in the advertisement that the statement has been forwarded to the Members of the Company.</p>
Members bound by documents or notices served on or given to previous holders	<p>250. Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any Share shall be bound by every document or notice in respect of such Share which prior to his name and address being entered in the Register of Members shall have been duly served on or given to the person from whom he derived his title to such Share.</p>
Service of documents on the Company	<p>251. A document may be served on the Company or an officer thereof by sending it to the Company or officer at the Registered Office of the Company by post under a certificate of posting or by registered post or by leaving it at its Registered Office.</p>
Authentication of documents and proceedings	<p>252. Save as otherwise expressly provided in the Act, a document or proceedings requiring authentication by the Company, may be signed by a Director, the Managing Director, or the Secretary or other authorised officer of the Company and need not be under the Seal of the Company.</p>

REGISTERS AND DOCUMENTS

Title of Article	Article Number and Contents
Registers and documents to be maintained by the Company	<p>253. The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following:</p> <ol style="list-style-type: none"> 1) Register of investments made by the Company but not held in its own name as required by Section 49(7) of the Act; 2) Register of mortgages and charges as required by Section 143 of the Act and copies of instruments creating any charge requiring registration according to Section 136 of the Act; 3) Register and index of Members and Debenture holders as required by Sections 150, 151 and 152 of the Act; 4) Foreign register, if so thought fit, as required by Section 157 of the Act; 5) Register of contracts with companies and firms in which Directors are interested as required by Section 301 of the Act; 6) Register of Directors and Secretaries etc., as required by Section 303 of the Act; 7) Register as to holdings by Directors of Shares and/or Debentures in the Company as required by Section 307 of the Act; 8) Register of investments made by the Company in Shares and Debentures of the bodies corporate in the same group as required by Section 372(2) of the Act; 9) Copies of annual returns prepared under Section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act; 10) Register of loans, guarantees, or securities given to the other companies under the same

Title of Article	Article Number and Contents
	management as required by Section 370 of the Act.
Inspection of Registers	254. The registers mentioned in clauses (6) and (9) of the foregoing Article and the minutes of all proceedings of General Meetings shall be open to inspection and extracts may be taken therefrom and copies thereof may be required by any Member of the Company in the same manner to the same extent and on payment of the same fees as in the case of the Register of Members of the Company provided for in clause (3) thereof. Copies of entries in the registers mentioned in the foregoing article shall be furnished to the persons entitled to the same on such days and during such business hours as may be consistent with the provisions of the Act in that behalf as determined by the Company in General Meeting.

WINDING UP

Title of Article	Article Number and Contents
Distribution of assets	255. If the Company shall be wound up and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid-up Capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in the proportion to the capital paid-up or which ought to have been paid up at the commencement of the winding up, on the Shares held by them respectively and if in the winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding up, paid-up or which ought to have been paid-up on the Shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of Shares issued upon special terms and conditions.
Distribution in specie or kind	256. 1) If the Company shall be wound up, whether voluntarily or otherwise, the liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidator with the like sanction shall think fit. 2) 3) If thought expedient any such division may subject to the provisions of the Act, be otherwise than in accordance with the legal rights of the contributions (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 494 of the Act. In case any Shares to be divided as aforesaid involve a liability to calls or otherwise, any person entitled under such division to any of the said Shares, may within ten days after the passing of the Special Resolution by notice in writing, direct the liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall, if practicable, act accordingly.
Right of shareholders in case of sale	257. A Special Resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act may subject to the provisions of the Act in like manner as aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction.
Directors and others right to indemnity	258. Subject to the provisions of Section 201 of the Act, every Director or officer or servant of the Company or any person (whether an officer of the Company or not) employed by the Company as auditor, shall be indemnified by the Company against and it shall be the duty of the Directors, out of the funds of the Company to pay all costs, charges, losses and damages which any such person may incur or become liable to pay by reason of any contract entered into or any act, deed, matter or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act, neglect or default) including expenses and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, officer or auditor or other office of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.
Director, officer not responsible for acts of	259. Subject to the provisions of Section 201 of the Act no Director, auditor or other officer of the

others	Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of the title to any property acquired by order of the Directors for on behalf of the Company or for the insufficiency or deficiency of any security, in or upon which any of the moneys of the Company shall be invested for any loss or damages arising from the insolvency or tortuous act of any person, firm or Company, to or with whom any moneys, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgment, omission, default or oversight on his part or for any other loss, damage, or misfortune whatever shall happen in relation to execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.
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SECRECY CLAUSE

Title of Article	Article Number and Contents
Secrecy Clause	260. Every Director/Manager, auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or any other person employed in the business of the Company shall, if so required by the Director, before entering upon his duties, sign a declaration pledging himself, to observe a strict secrecy respecting all transactions and affairs of the Company with the Company's customers and the state of the accounts with individuals and in matters thereto and shall by such declaration, pledge himself not to reveal any of the matters which may come to his knowledge in discharge of his duties, except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
No Member to enter the premises of the Company without permission	261. No Member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Board of Directors or Managing Director, or to inquire discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

SECTION X – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at 4th Floor, Kothari Building, 114 Nungambakkam High Road, Chennai - 600 034, Tamil Nadu, India, from date of filing the Red Herring Prospectus with RoC to Bid / Issue Closing Date on working days from 10.00 a.m. to 4.00 p.m. from the date of filing of this Draft Red Herring Prospectus until the date of closure of the Issue.

Material Contracts

1. Issue Agreement dated July 04, 2011 between our Company and the BRLM.
2. Memorandum of Understanding dated October 18, 2010 between our Company and Bigshare Services Private Limited appointing them as Registrar to the Issue.
3. Escrow Agreement dated [●] between our Company, the BRLM, Syndicate Members, Escrow Collection Bank and the Registrar to the Issue.
4. Syndicate Agreement dated [●] between our Company, BRLM, and the Syndicate Members.
5. Underwriting Agreement dated [●] between our Company, BRLM and the Syndicate Members.
6. Tripartite agreement among the NSDL, our Company and Bigshare Services Private Limited dated [●], 2011.
7. Tripartite agreement among the CDSL, our Company and Bigshare Services Private Limited dated [●], 2011.

Material Documents

1. The Memorandum and Articles of Association of our Company, as amended from time to time.
2. Certificate of Incorporation issued to our Company under the name “Siga Pharma Labs Private”, dated April 23, 1982, issued by the Registrar of Companies, Chennai, Tamil Nadu.
3. Fresh Certificate of Incorporation issued to our Company pursuant to the change of name from “Siga Pharma Labs Private” to “Loyal Super Remedies Limited” dated November 29, 1985, issued by the Registrar of Companies, Chennai, Tamil Nadu.
4. Fresh Certificate of Incorporation issued to our Company pursuant to the change of name from “Loyal Super Remedies Limited” to “MSKV Remedies Limited” dated January 24, 2002 issued by the Registrar of Companies, Chennai, Tamil Nadu.
5. Fresh Certificate of Incorporation issued to our Company pursuant to the change of name from “MSKV Remedies Limited” to “Ind Eco Ventures Limited” dated May 22, 2008 bearing ‘CIN U24231TN1982PLC009345’ issued by the Registrar of Companies, Chennai, Tamil Nadu.
6. Resolution of the Board dated June 03, 2011 authorising the Issue.
7. Resolution of the shareholders dated June 29, 2011 authorising the Issue.

8. Copies of the annual reports of our Company for the years ended March 31, 2007, 2008, 2009, 2010 and 2011.
9. Copy of the 'Statement of Tax Benefits' report issued by S. Vasudevan & Associates, Chartered Accountants, dated July 06, 2011.
10. Report of the the Independent Auditor, V Ramaratnam & Associates, Chartered Accountants dated July 02, 2011 on our Company's restated standalone financial statements as of and for the Financial Years ended March 31, 2007, 2008, 2009,2010 and 2011.
11. Copy of the Certificate from the statutory auditor, S. Vasudevan & Associates, Chartered Accountants, dated July 06, 2011 regarding the sources and deployment of funds as on June 30, 2011.
12. Consents in writing of: our Directors; our Company Secretary, Chief Financial Officer Compliance Officer; our Auditors; Banker to our Company; Escrow Collection Bank(s)*; Refund Bank(s)*; Syndicate Members*; IPO Grading Agency; BRLM; the Registrar and the Legal Advisor to the Issue, to act in their respective capacities.

** The aforesaid will be appointed and their consents as above would be obtained prior to filing the Red Herring Prospectus with the RoC.*
13. Valuation report dated 15 June, 2011 obtained from Mr. J. Suresh, Chartered Engineer and Registered Valuer for valuation of our wind mills.
14. Memorandum of Understanding dated October 06, 2010 with PLG Power Limited to act as EPC Contractor.
15. Certificate dated July 01, 2011 issued by M/s A.G. Bapat & Co., Advocates certifying the details of land purchased by our Company.
16. Certificate of Registration dated January 13, 2011 for registration of expression of interest in Vibrant Gujarat Scheme, 2011.
17. In-principle listing approval from BSE and NSE dated [●] and [●] respectively.
18. Due Diligence Certificate dated July 12, 2011 provided to SEBI from the BRLM.
19. SEBI observation letter no. [●] dated [●].

Shareholders and other agreements

20. Shareholders agreement dated July 28, 2010 between our Company and Prince Foundations Limited.
21. PPA dated July 21, 2010 between our Company and Prince Foundations Limited.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the undersigned, hereby certify that, all the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines and regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations or guidelines issued, as the case may be. We further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true, fair, accurate and correct.

Signed by all the Directors

Mr. K.V. Bala Chairman, Non Executive Director	
Mr. V. Kannappan Whole Time Director, Executive	
Mr. K.K. Gnana Prabhakaran Non Executive, Independent	
Mr. N. R. Jagtap Non Executive, Independent	

Signed by Company Secretary and Chief Financial Officer

Ms. J. Bhuwaneswari Company Secretary	
Mr. K.K. Dinakar Chief Financial Officer and Compliance Officer	

Place: Chennai

Date: July 12, 2011