



(Our Company was incorporated as "Usher Eco Power Limited" under the provisions of the Companies Act, 1956 pursuant to a Certificate of Incorporation dated July 20, 2007 and has been allocated CIN U40102MH2007PLC172552.)

Registered Office: 212, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai- 400053

Tel: +91 22 30681174 ; **Fax:** +91 22 30681177

(There has been no change in the Registered Office of our Company since incorporation.)

Corporate Office: 105, Atlanta Building, 10th Floor, Nariman Point, Mumbai- 400 021

Contact Person: Ms. Shreya Ramkrishnan, Company Secretary and Compliance Officer

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PUBLIC ISSUE OF [●] EQUITY SHARES OF RS. 10/- EACH OF USHER ECO POWER LIMITED (HEREINAFTER REFERRED TO AS THE "COMPANY" OR "ISSUER") AT A PRICE OF RS. [●] PER EQUITY SHARE FOR CASH AGGREGATING RS. 5,250 LACS (HEREINAFTER REFERRED TO AS THE "ISSUE") INCLUDING PROMOTERS' CONTRIBUTION OF [●] EQUITY SHARES OF RS. 10/- EACH AT A PRICE OF RS. [●] PER EQUITY SHARE FOR CASH AGGREGATING RS. 1,650 LACS (HEREINAFTER REFERRED TO AS THE "PROMOTERS' CONTRIBUTION") AND NET ISSUE TO THE PUBLIC OF [●] EQUITY SHARES AT A PRICE OF RS. [●] PER EQUITY SHARE AGGREGATING RS. 3,600 LACS (HEREINAFTER REFERRED TO "NET ISSUE"). THE NET ISSUE WILL CONSTITUTE [●] % OF THE POST ISSUE PAID-UP CAPITAL OF OUR COMPANY. THERE SHALL ALSO BE A GREEN SHOE OPTION FOR ALLOCATING UP TO [●] EQUITY SHARES AT A PRICE OF RS. [●] EACH AGGREGATING RS. 787.50 LACS, IN EXCESS OF THE EQUITY SHARES THAT ARE INCLUDED IN THE ISSUE. THE ISSUE WITH THE GREEN SHOE OPTION AGGREGATES RS. 6037.50 LACS.

THE ISSUE WOULD CONSTITUTE [●] % OF THE FULLY DILUTED POST ISSUE PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY ASSUMING NO EXERCISE OF THE GREEN SHOE OPTION AND [●] % ASSUMING THE GREEN SHOE OPTION IS EXERCISED IN FULL. *

* Our Company is considering a pre-IPO placement with certain investors ("Pre-IPO Placement"). The Pre-IPO Placement, if any will be completed before the filing on Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed the Issue Size and the Net Issue would be reduced to the extent of such Pre-IPO Placement, subject to a minimum of 25% of the post-issue paid up Equity Share capital of our Company. Further, the Green Shoe Option shall be subject to the maximum of 15% of such revised Issue size.

PRICE BAND: RS. [●]/- TO RS. [●]/- PER EQUITY SHARE OF FACE VALUE RS 10/- EACH

THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND [●] TIMES OF THE FACE VALUE AT THE HIGHER END OF THE PRICE BAND.

In case of revision in the Price Band, the Bidding/Issue Period shall be extended for three additional working days after such revision, subject to the Bidding/Issue Period not exceeding 10 working days. Any revision in the Price Band, and the revised Bidding/Issue Period, if applicable, shall be widely disseminated by notification to the Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE), whose online IPO system will be available for bidding, by issuing a press release and by indicating the change on the websites of the Book Running Lead Manager ("BRLM") and the terminals of the members of the Syndicate.

This Issue is being made through a 100% Book Building Process wherein upto 50% of the Net Issue (subject to mandatorily minimum 10%) will be allocated to Qualified Institutional Buyers (QIBs) on a proportionate basis, subject to valid bids being received at or above the Issue Price. Out of the portion available for allocation to the QIBs, 5% will be available for allocation to Mutual Funds only. Mutual Fund Bidders shall also be eligible for proportionate allocation under the balance available for the QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net 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.

This Issue is being made in terms of Clause 2.2.2 (a) (ii) and (b) (i) of SEBI Guidelines, 2000 as amended from time to time, wherein the "Project" has at least 15% participation by financial institutions / scheduled commercial banks, of which atleast 10% comes from the appraiser (s). In addition to this, atleast 10% of the Net Issue shall be allotted to QIBs failing which the full subscription money shall be refunded.

RISK IN RELATION TO FIRST ISSUE

This being the first issue of Equity Shares of our Company, there has been no formal market for our Equity Shares. The face value of the Equity Shares is Rs.10/- and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times of the face value at the higher end of the Price Band. The Price Band (as determined and justified by the Book Running Lead Manager and our Company on basis of assessment of market demand for the Equity Shares by way of Book Building as stated in chapter titled "Basis of Issue Price" beginning on page 37 of this Draft Red Herring Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

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 this Issue including the risks involved. The Equity Shares issued in this 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 the Draft Red Herring Prospectus. Specific attention of the investors is invited to the statements in the chapter titled "Risk Factors" beginning on page xiii of the Draft Red Herring Prospectus.

COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and this Issue, which is material in the context of this 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

The Equity Shares issued through this Draft Red Herring Prospectus are proposed to be listed on the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange Limited ("NSE"). BSE shall be the Designated Stock Exchange for purposes of this Issue. We have received in-principle approval for the listing of our Equity Shares pursuant to letters dated [●] and [●] from BSE and NSE.

IPO GRADING

The Issue has been graded by Credit Analysis and Research Limited and has been assigned the [●], through its letter dated [●]. For further details in this regard, please see the chapter titled "General Information" on page 13 of the Draft Red Herring Prospectus.

BOOK RUNNING LEAD MANAGER


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ISSUE PROGRAMME

ISSUE OPENS ON

[●]

ISSUE CLOSES ON

[●]

TABLE OF CONTENTS

SECTION I – DEFINITIONS AND ABBREVIATIONS.....	ii
ABBREVIATIONS	ii
GENERAL CONVENTIONAL TERMS	iii
ISSUE RELATED TERMS.....	iv
COMPANY / INDUSTRY RELATED TERMS	ix
SECTION II - GENERAL	xi
PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA	xi
FORWARD LOOKING STATEMENTS.....	xii
SECTION III-RISK FACTORS.....	xiii
SECTION IV – INTRODUCTION	1
SUMMARY OF INDUSTRY	1
SUMMARY OF BUSINESS.....	3
SUMMARY OF FINANCIAL INFORMATION.....	5
THE ISSUE	7
GREEN SHOE OPTION.....	9
GENERAL INFORMATION.....	13
CAPITAL STRUCTURE	20
OBJECTS OF THE ISSUE.....	31
BASIS OF ISSUE PRICE	37
SECTION V – ABOUT US	48
INDUSTRY OVERVIEW	48
BUSINESS OVERVIEW	57
KEY INDUSTRY REGULATION AND POLICIES	63
HISTORY AND OTHER CORPORATE MATTERS	69
OUR MANAGEMENT	71
OUR PROMOTERS AND THEIR BACKGROUND.....	85
OUR PROMOTER GROUP.....	93
OUR PROMOTER GROUP ENTITIES	95
SECTION VI – FINANCIAL STATEMENTS	101
AUDITORS’ REPORT AND FINANCIAL INFORMATION OF OUR COMPANY	101
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	123
FINANCIAL INDEBTEDNESS	131
DIVIDEND POLICY	132
SECTION VII - LEGAL AND OTHER INFORMATION	133
OUTSTANDING LITIGATIONS, MATERIAL DEVELOPMENTS AND OTHER DISCLOSURES	133
GOVERNMENT/STATUTORY AND BUSINESS APPROVALS	135
SECTION VIII - OTHER REGULATORY AND STATUTORY DISCLOSURES.....	136
SECTION IX– ISSUE RELATED INFORMATION.....	146
TERMS OF THE ISSUE	146
ISSUE STRUCTURE.....	149
ISSUE PROCEDURE	153
SECTION X – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION.....	186
SECTION XI - OTHER INFORMATION.....	217
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	217
DECLARATION.....	219

SECTION I – DEFINITIONS AND ABBREVIATIONS

In the Draft Red Herring Prospectus, unless the context otherwise requires, the terms defined and abbreviations expanded herein below shall have the same meaning as stated in this Section.

Term	Description
“Usher Eco Power Limited, “our Company”, “the Company”, “UEPL”, “the Issuer Company”, “the Issuer” “we”, “us” and “our”	Unless the context otherwise requires, refers to Usher Eco Power Limited, a public limited company incorporated under the Companies Act.
Promoter(s)	Unless the context otherwise requires, refers to Mr. Vinod Kumar Chaturvedi, Mr. Manoj Chaturvedi, Usher Agro Limited and Transform Engineering Private Limited.
Promoter Director(s) / Individual Promoter(s)	Unless the context otherwise requires, refers to Mr. Vinod Kumar Chaturvedi and Mr. Manoj Chaturvedi.
Corporate Promoter(s)	Usher Agro Limited and Transform Engineering Private Limited.
Promoter Group Entities	Unless the context otherwise requires, refers to our promoter group companies as enumerated in the chapter titled “ <i>Our Promoter Group Entities</i> ” beginning on page 94 of the Draft Red Herring Prospectus.

ABBREVIATIONS

Abbreviation	Full Form
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
BRLM	Book Running Lead Manager
BSE	Bombay Stock Exchange Limited
CAN	Confirmation of Allocation Note
CAGR	Compounded Annual Growth Rate
CB	Controlling Branch
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CESTAT	Central Excise and Services Tax Appellate Tribunal
CIN	Corporate Identification Number
DB	Designated Branch
DIN	Director’s Identification Number
DIPP	Department of Industrial Policy and Promotion
DP	Depository Participant
DP ID	Depository Participant’s Identification Number
EGM	Extraordinary General Meeting of the shareholders of Usher Eco Power Limited
EBIDTA	Earnings Before Interest, Tax, Depreciation and Amortisation
EPS	Earnings per Equity Share
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the regulations issued thereunder
FDI	Foreign Direct Investment
FII	Foreign Institutional Investor as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
FIs	Financial Institutions

Abbreviation	Full Form
FVCI	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000
GIR Number	General Index Registry Number
GoI / Government	Government of India
GoUP	Government of Uttar Pradesh
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IPO	Initial Public Offering
MAPIN	Market Participant and Investor Database
MODVAT	Modified Value Added Tax
MoU	Memorandum of Understanding
NAV	Net Asset Value.
NCCD	National Calamity Contingent Duty
NOC	No Objection Certificate
NR	Non-Resident
NRE Account	Non Resident External Account
NRI	Non-Resident Indian
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Body
P/E Ratio	Price / Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
RBI	The Reserve Bank of India
RHP	Red Herring Prospectus
RoC	Registrar of Companies, Maharashtra at Mumbai
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SIA	Secreteriat For Industrial Assistance
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCSB	Self Certified Syndicate Bank
SEBI	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time
TIN	Tax payers Identification Number
TRS	Transaction Registration Slip
UIN	Unique Identification Number issued in terms of SEBI (Central Database of Market Participants) Regulations, 2003, as amended from time to time
UoI	Union of India
UP	Uttar Pradesh
USD / \$ / US\$	The United States Dollar, the legal currency of the United States of America

GENERAL CONVENTIONAL TERMS

Term	Description
Articles / Articles of Association	The Articles of Association of our Company.
Auditors	The statutory auditors of our Company, being M/s. Haribhakti & Co., Chartered Accountants.
Board of Directors / Board	The Board of Directors of our Company or a Committee thereof duly constituted.

Term	Description
Companies Act	The Companies Act, 1956, as amended from time to time.
Corporate Office of our Company	Corporate Office of our Company located at 105, Atlanta Building, 10 th Floor, Nariman Point, Mumbai- 400 021.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository	A depository registered with SEBI 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.
Director(s)	Director(s) of our Company unless otherwise specified.
Electricity Act	The Electricity Act 2003, as amended from time to time
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed thereunder.
Financial Year / Fiscal Year / FY	The period of twelve months ended March 31 of that particular year, unless specifically otherwise stated.
Indian GAAP	Generally accepted accounting principles in India.
I.T. Act / IT Act	The Income Tax Act, 1961, as amended from time to time.
I. T. Rules	The Income Tax Rules, 1962, as amended from time to time.
Memorandum / Memorandum of Association	The Memorandum of Association of our Company.
Non Resident	A “person resident outside India”, as defined under FEMA including 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 from time to time.
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time.
Registered Office	The registered office of our Company located at 212, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai- 400 053.
SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines 2000, as amended from time to time, including instructions, guidelines and clarifications issued by SEBI from time to time.
SEBI Insider Trading Regulations	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	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time.
U.S. GAAP	Generally accepted accounting principles in the United States of America.

ISSUE RELATED TERMS

TERM	DESCRIPTION
Allocation	Allocation of Equity Shares pursuant to this Issue.
Allotted / Allotment	Allotment of Equity Shares, pursuant to this Issue.
Allottee	The successful Bidder to whom Equity Shares are being / have been Allotted.
Applications Supported by Blocked Amount (ASBA)	Applications Supported by Blocked Amount (ASBA) means an application for subscribing to an issue containing an authorisation to block the application money in a bank account,
ASBA Form	Bid-cum-Application Form for ASBA investors
ASBA Investor	An investor, who intends to apply through ASBA process; is a Resident Retail Individual investor; is bidding at cut-off, with single bid option as to the number of shares bid for; is applying through blocking of funds in a bank account with a SCSB; has agreed not to revise his/her bid; and is not bidding under any of the reserved categories.
Banker(s) to the Issue	■
Bankers to our Company	Bankers to our Company, being State Bank of India and Allahabad Bank.
Bid	An indication to make an offer during the Bidding Period by a prospective

TERM	DESCRIPTION
	investor to subscribe to our Equity Shares at a price within the Price Band, including all revisions and modifications thereto.
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 for this Issue except for ASBA investors.
Bid / Issue Closing Date	The date after which the members of the Syndicate / SCSBs will not accept any Bids for this Issue, which shall be notified in a widely circulated English national newspaper, a Hindi national newspaper and a regional language newspaper with wide circulation.
Bid / Issue Opening Date	The date on which the members of the Syndicate / SCSBs shall start accepting Bids for this Issue, which shall be the date notified in a widely circulated English national newspaper, a Hindi national newspaper and a regional language newspaper with wide circulation.
Bid cum Application Form / Bid-cum- Application Form	The form in terms of which the Bidder shall make an offer to subscribe to the Equity Shares of our Company and which will be considered as the application for Allotment in terms of the Red Herring Prospectus. Unless the context otherwise requires in the Draft Red Herring Prospectus, Bid-cum-Application Form includes ASBA Form.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid-cum-Application Form or ASBA Form.
Bidding Period	The period between the Bid / Issue Opening Date and the Bid / Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids.
Book Building Process	Book building mechanism / route as provided under Chapter XI of the SEBI Guidelines, in terms of which this Issue is made.
Book Running Lead Manager / IDBI	IDBI Capital Market Services Limited.
CAN / Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of Issue Price in the Book Building Process.
Cap Price	The upper end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted.
Cut-off / Cut-off Price	Any price within the Price Band finalised by our Company in consultation with the BRLM and it shall be any price within the Price Band. A Bid submitted at the Cut-off Price by a Retail Individual Bidder or an ASBA Investor who has Bid for Equity Shares for an amount less than or equal to Rs. 100,000 and is a valid Bid at all price levels within the Price Band.
Designated Date	The date on which funds are transferred from the Escrow Account and from bank accounts of ASBA Investors to the Public Issue Account after the Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to successful Bidders.
Designated Stock Exchange	Bombay Stock Exchange Limited (BSE).
Draft Red Herring Prospectus	The Draft Red Herring Prospectus, which does not have complete particulars on the price at which the Equity Shares are offered and size of this Issue in terms of the number of Equity Shares being issued.
Eligible NRIs	NRIs from such jurisdiction outside India where it is not unlawful for our Company to make this Issue or an invitation under this Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein.
Equity Shares	Equity Shares of our Company of face value of Rs. 10/- each, fully paid up, unless otherwise specified in the context thereof.
Escrow Account(s)	Account(s) opened with Escrow Collection Bank(s) and in whose favour the Bidder (except ASBA Investor) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid.

TERM	DESCRIPTION
Escrow Agreement	Agreement to be entered into among 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 Investors).
Escrow Collection Bank(s) / Banker (s) to the Issue	The banks which are clearing members and registered with SEBI as Banker to the Issue at which the Escrow Account for this Issue will be opened, in this case being [●].
First Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or Revision Form or ASBA 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.
Green Shoe Lenders	Mr. Vinod Kumar Chaturvedi and Mr. Manoj Chaturvedi.
Green Shoe Option or GSO	An option to allocate Equity Shares in excess of the Equity Shares included in the Issue and operate a post-listing price stabilisation mechanism in accordance with Chapter VIII-A of the SEBI Guidelines, which is to be exercised through the Stabilizing Agent.
Green Shoe Option Portion	Up to 15% of the Issue or [●] Equity Shares aggregating Rs. 787.50 lacs if exercised in full. If the Pre-IPO Placement is completed, the Issue size and the Net Issue would be reduced to the extent of such Pre-IPO Placement, subject to a minimum of 25% of the post-Issue paid up Equity Share capital of our Company being offered to the public. Consequently, the Green Shoe Option shall be subject to a maximum of 15% of such revised Issue size.
GSO Bank Account	The bank account to be opened by the Stabilizing Agent under the Stabilization Agreement on the terms and conditions thereof.
GSO Demat Account	The demat account to be opened by the Stabilizing Agent under the Stabilization Agreement on the terms and conditions thereof.
Issue	Public issue of [●] Equity Shares of Rs. 10/- each fully paid up at the Issue Price aggregating Rs. 5,250 lacs at the Issue Price in terms of the Red Herring Prospectus and excluding the Green Shoe Option Portion. Our Company is considering a Pre-IPO Placement with certain investors. The Pre-IPO Placement, if any, will be completed before the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size and the Net Issue would be reduced to the extent of such Pre-IPO Placement, subject to a minimum of 25% of the post-Issue paid up Equity Share capital of our Company being offered to the public. Further, the Green Shoe Option shall be subject to a maximum of 15% of such revised Issue size.
Issue / Bidding Period or Bidding / Issue Period	The period between the Bid / Issue Opening Date and the Bid / Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids.
Issue Price	The final price at which Equity Shares will be issued and allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date.
Loaned Shares	Up to [●] Equity Shares loaned by the Green Shoe Lenders pursuant to the terms of the Stabilization Agreement.
Margin Amount	The amount paid by the Bidder (except ASBA Investor) at the time of submission of the Bid, which may be between 10% or 100% of the Bid Amount, as applicable.
Mutual Funds	Mutual Funds registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Mutual Funds Portion	That portion of the Net Issue, being 5% of the QIB portion or [●] Equity Shares aggregating to Rs. 90 Lacs, (assuming that the QIB portion is 50% of the Net Issue to Public) available for allocation on a proportionate basis to Mutual Funds only. If the Pre-IPO Placement is completed, the Issue size and the Net

TERM	DESCRIPTION
	Issue would be reduced to the extent of such Pre-IPO Placement and the Mutual Fund Portion shall stand reduced to 5% of the QIB Portion of the revised Net Issue.
Net Issue / Net Issue to the Public	The Issue other than the Promoters' Contribution, in this being [●] Equity Shares aggregating Rs. 3,600 lacs. If the Pre-IPO Placement is completed, the Net Issue would be reduced to the extent of such Pre-IPO Placement.
Non - Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 1,00,000/-.
Non – Institutional Portion	The portion of this Issue being not less than 15% of the Net Issue consisting of [●] Equity Shares aggregating to Rs. 540 lacs, available for Allocation to Non-Institutional Bidders on a proportionate basis, subject to receipt of valid Bids at or above the Issue Price. If the Pre-IPO Placement is completed, the Issue size and the Net Issue would be reduced to the extent of such Pre-IPO Placement and the Non – Institutional Portion shall stand reduced to 15% of the revised Net Issue.
Over Allotment Shares	Equity Shares allotted pursuant to the Green Shoe Option.
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 03, 2003 and immediately before such date had taken benefits under the general permission granted to Overseas Corporate Bodies under the FEMA. Overseas Corporate Bodies are not permitted to invest in this Issue.
Pay-in Date	Bid / Issue Closing Date or the last date specified in the CAN sent to Bidders receiving allocation who pay less than 100% Margin Amount at the time of bidding, as applicable.
Pay-in-Period	Means: (i) With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date and extending until the Bid/Issue Closing Date; and (ii) With respect to QIBs, whose Margin Amount is 10% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date.
Price Band	The price band of a minimum price (Floor Price) of Rs. [●] and the maximum price (Cap Price) of Rs. [●] and includes revisions thereof.
Pricing Date	The date on which our Company in consultation with the BRLM finalises the Issue Price.
Promoters' Contribution	The portion of the Issue being upto [●] Equity Shares aggregating to Rs. 1,650 lacs available for allocation to Promoters.
Prospectus	The prospectus to be filed with the RoC in terms of Section 60 of the Companies Act, containing, <i>inter alia</i> , the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information.
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account and accounts of ASBA Investors for this Issue on the Designated Date.
QIB Margin Amount	An amount representing at least 10% of the Bid Amount.
QIB Portion	The portion of this Issue being upto 50% of the Net Issue (subject to mandatory Allotment of minimum 10% of the Issue size to QIBs) consisting of [●] Equity Shares aggregating Rs. 1,800 lacs, available for Allocation to QIBs on a proportionate basis, subject to valid bids being received at or above the

TERM	DESCRIPTION
	issue price. 5% of the QIB Portion i.e. [•] Equity Shares aggregating to Rs. 90 lacs shall be available for allocation on a proportionate basis to Mutual Funds only.
Qualified Institutional Buyers / QIBs	Public financial institutions as defined in Section 4A of the Companies Act, scheduled commercial banks; mutual funds registered with SEBI; a foreign institutional investor registered with SEBI; multilateral and bilateral development financial institutions; venture capital funds registered with SEBI; foreign venture capital funds registered with SEBI; state industrial development corporations, an insurance company registered with the Insurance Regulatory and Development Authority (IRDA), provident funds with minimum corpus of Rs. 2500 lacs and pension funds with minimum corpus of Rs. 2500 lacs and National Investment Fund set up by resolution no. F. No. 2/3/2005- DDII dated November 23, 2005 of Government of India published in the Gazette of India.
Red Herring Prospectus / RHP	The red herring prospectus to be issued in accordance with Section 60B of the Companies Act, which does not have complete particulars on the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three days before the opening of the Issue and will become a Prospectus after filing with the RoC after the Pricing Date.
Refund Account	The no-lien account maintained by the Refund Bank(s) to which the surplus money shall be transferred on the Designated Date.
Refund Bank	Shall mean 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 151 of the Draft Red Herring Prospectus.
Registrar of Companies / RoC	Registrar of Companies, Maharashtra at Mumbai.
Registrar / Registrar to the Issue	Registrar to the Issue, in this case being Bigshare Services Private Limited having its office at E/2, Ansa Industrail Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai – 400 072.
Resident retail individual investor	Shall mean a Retail Individual Investor who is a person resident in India as defined in Foreign Exchange Management Act, 1999.
Retail Individual Bidders	Individual Bidders (including HUFs and NRIs) and Bidders in reserved category who have Bid for Equity Shares for an amount less than or equal to Rs. 1,00,000/- in the Issue.
Retail Portion	The portion of this Issue being not less than 35% of the Net Issue consisting of [•] Equity Shares aggregating to Rs. 1,260 lacs, available for Allocation to Retail Individual Bidders on a proportionate basis, subject to receipt of valid Bids at or above the Issue Price. If the Pre-IPO Placement is completed, the Issue size and the Net Issue would be reduced to the extent of such Pre-IPO Placement and the Retail Portion shall stand reduced to 35% of the revised Net Issue.
Revision Form	The form used by the Bidders (except ASBA Investors) to modify the number of Equity Shares or the Bid Price in any of their Bid-cum-Application Forms or any previous Revision Form(s).
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 Board in this case Corporation Bank, Union Bank of India, HDFC Bank, State Bank of India and ICICI Bank, being the SCSBs.
Stabilizing Agent or SA	IDBI Capital Market Services Limited.
Stabilization Agreement	Agreement entered into by our Company, the Green Shoe Lenders, and the Stabilizing Agent dated October 8, 2008 in relation to the Green Shoe Option.

TERM	DESCRIPTION
Stabilization Period	The period commencing from the date of obtaining trading permission from the Stock Exchanges in respect of the Equity Shares in the Issue and ending 30 calendar days thereafter unless terminated earlier by the Stabilizing Agent in accordance with the Stabilization Agreement.
Stock Exchanges	Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
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 this Issue.
Syndicate Member (s)	•
Transaction Registration Slip / TRS	The slip or document issued by the Syndicate Members to the Bidders and ASBA Investors as proof of registration of the Bid.
Underwriters	•
Underwriting Agreement	The Agreement among the Underwriters and our Company to be entered into on or after the Pricing Date.

COMPANY / INDUSTRY RELATED TERMS

Term	Description
Project	16 Mega Watt Biomass Cogeneration Power Plant to be set up in Mathura, Uttar Pradesh
ASSOCHEM	Associated Chambers of Commerce and Industry of India
BOD	Biological Oxygen Demand
BU	Billion Unit
CAGR	Compounded Annual Growth Rate
CDM	Clean Development Mechanism
CEA	Central Electricity Authority
CER	Certified Emission Reductions
CERC	Central Electricity Regulatory Commission
CII	Confederation of Indian Industry
CPCB	Central Pollution Control Board
CTU	Central Transmission Utility as defined in the Electricity Act, 2003
Cu.m.	Cubic meter
DCS-SCADA	Distributed and Supervisory Control Systems
DM	Demineralised Water
DVVNL	Dakshinanchal Vidyut Vitran Nigam Limited
ESP	Electrostatic Precipitator
GDP	Gross Domestic Product
IPP	Independent Power Producers
KV	Kilo Volt
KW	Kilo Watt
LT	Low Tension
MNES	Ministry of Non-conventional Energy Sources
MoP	Ministry of Power
MT	Million Tons
MW	Megawatts
O&M	Operation and Maintenance
PLF	Plant Load Factor
PPA	Power Purchase Agreement
PRDSH	Pressure Reducing and De-Super Heating station
RCC	Reinforced Cement Concrete
R&D	Research and Development

Term	Description
SEBs	State Electricity Board
SERC	State Electricity Regulatory Commission
SLDC	State Load Despatch Centre
SPV	Special Purpose Vehicle
STG	Steam Turbine Generator
T&D	Transmission and Distribution
TG	Turbine Generator
TPH	Tons Per Hour
UMPP	Ultra Mega Power Project
UPPCL	Uttar Pradesh Power Corporation Limited
VERs	Verified Emission Reductions

Notwithstanding the foregoing,

1. In the section titled “*Main Provisions of the Articles of Association*” on page 184 of the Draft Red Herring Prospectus, defined terms have the meaning given to such terms in that section;
2. In the chapter titled “*Auditors Report and Financial Information of our Company*” on page 99 of the Draft Red Herring Prospectus, defined terms have the meaning given to such terms in that section;

SECTION II - GENERAL

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

Financial Data

Our fiscal year commences on April 1 and ends on March 31 of a particular year. Unless stated otherwise, references herein to a fiscal year (e.g., fiscal 2008), are to the fiscal year ended March 31 of a particular year.

In the Draft Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lakhs /Lacs/Lac” means “one hundred thousand” and “million/mn./millions” means “ten lacs”, “Crore” means “ten millions” and “billion/bn./billions” means “one hundred crores”. Further, any discrepancies in any table between the total and the sum of the amounts are due to rounding-off. Throughout the Draft Red Herring Prospectus, currency figures have been expressed in “Lakhs /Lacs/Lac” except those, which have been reproduced/ extracted from sources as specified at the respective places.

There are significant differences between Indian GAAP and U.S. GAAP; accordingly, the degree to which the Indian GAAP financial statements included in the Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by Persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Red Herring Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Use of Market Data

Market data used in this the Draft Red Herring Prospectus have been obtained from industry publications Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe market data used in the Draft Red Herring Prospectus is reliable, it has not been independently verified. The extent to which such market and industry data is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data.

Similarly while information contained in the publicly available government documents that is relied upon for the purposes of the Draft Red Herring Prospectus is believed to be complete and reliable, there can be no assurance of the same. Accordingly, no investment decisions should be made based on such information. Although we believe that industry data used in the Draft Red Herring Prospectus is reliable, it has not been independently verified. Similarly, while we believe that the internal company reports are reliable, they have not been verified by any independent sources.

Currency of Presentation:

All references to “Rupees” or “Rs.” are to Indian Rupees, the official currency of the Republic of India. Rs. 1 lakh means Rs. 100,000 and Rs. 1 Crore means Rs. 10,000,000.

All references to “US\$”; “U.S. Dollar” or “US Dollars” are to United States Dollars, the official currency of the United States of America.

For additional definitions, see the section titled “Definitions and Abbreviations” beginning on page **Error! Bookmark not defined.** of the Draft Red Herring Prospectus

FORWARD LOOKING STATEMENTS

The Draft Red Herring Prospectus contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases like ‘will’, ‘aim’, ‘will likely result’, ‘believe’, ‘expect’, ‘will continue’, ‘anticipate’, ‘estimate’, ‘intend’, ‘plan’, ‘contemplate’, ‘seek to’, ‘future’, ‘objective’, ‘goal’, ‘project’, ‘should’, ‘will pursue’ and similar expressions or variations of such expressions, that are ‘forward looking statements’. Similarly, the statements that describe our objectives, plans or goals are also forward-looking statements.

Important factors that could cause actual results to differ materially from expectations include, but are not limited to, the following:

- General economic and business conditions in India;
- Our ability to manage our growth and expansion effectively and successfully launch the expansion project for which funds are being raised through this Issue;
- Our ability to meet out capital expenditure requirements;
- Prices of raw materials we consume and the products we produce;
- Contingent liabilities, environmental problems etc;
- Government approvals;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Any adverse outcome in the legal proceedings in which the Company is involved;
- The loss or shutdown of operations of the Company at any times due to strike or labour unrest or any other reason; and
- Changes in political and social conditions in India.

For further discussion of factors that could cause our actual results to differ, please refer to chapters titled “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page xiii and 121 of the Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor the 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 trading permission by the Stock Exchanges for the Equity Shares allotted pursuant to the Issue.

SECTION III-RISK FACTORS

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all of the information in the Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Company's Equity Shares. To obtain a complete understanding of our business, you should read this section in conjunction with "Business Overview" on page 57 and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 121 of the Draft Red Herring Prospectus. Any of the following risks as well as other risks and uncertainties discussed in the 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 Equity Shares to decline which could result in the loss of all or part of your investment.

The 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 the Draft Red Herring Prospectus.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section.

Materiality:

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

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

INTERNAL RISK FACTORS

- 1. *One of our corporate Promoters is involved in certain legal proceedings.***

One of Corporate Promoters, Usher Agro Limited is involved in a legal proceeding in relation to matter pertaining to commercial taxes. The legal proceeding as mentioned below is pending with the concerned adjudicating authority.

Type of Legal Proceedings	Total number of pending cases	Financial Implications
Commercial Tax	2	Rs. 15,68,204*

*The amount has been quantified for only one of the two cases. In the other case, UAL has appealed against an order after payment of the amount of tax assessed under protest.

- 2. *Our Promoters have no experience in power generation business and are implementing this kind of project in power sector for the first time.***

Our Promoters have very limited experience in power generation business, though our promoters have already set up a 1 MW captive power plant, it cannot be compared to our proposed project. We cannot assure you that we will be able to effectively implement this project and manage our growth, which may adversely affect our business operations and financial condition. We are subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that we will not achieve our objectives and that the value of your investment in the Equity Shares could decline substantially.

3. ***Our project may require a long gestation period and substantial capital outlay before we realise any benefits or returns on investments.***

Due to the nature of our business, our project may require a long gestation period and substantial capital outlay before completion and may require a considerable amount of time before positive cash flows can be generated. The time and costs required in completing a project may be subject to substantial increases due to factors including shortages of materials, equipment, skilled personnel and labour, adverse weather conditions, natural disasters, labour disputes, disputes with contractors, accidents, changes in government priorities and policies, changes in market conditions, delays in obtaining the requisite licenses, permits and approvals from the relevant authorities and other unforeseeable problems and circumstances.

4. ***Our company does not have any operating history hence our future performance cannot be measured effectively.***

We currently have no power project in operation or other revenue generating operations, and we have no operating history from which you can evaluate our business, future prospects and viability. Thus, we do not have experience that demonstrates our ability to develop and manage medium scale power project including our ability to manage the growth of our business. The development of power projects involves various risks, including among others, regulatory risk, construction risk, financing risk and the risk that such projects may prove to be unprofitable. Implementing power project also poses significant challenges to our management, administrative, financial and operational resources. Although we have acquired land but we are yet to obtain certain other approvals. Any inability to effectively implement and operate our power project could adversely affect our business prospects, financial condition and results of operation. You should not evaluate our prospects and viability based on the performance of our Promoters, Usher Agro Limited, Transform Engineering Private Limited or other affiliates. Commercial operations of our power project are scheduled to commence from April 2009. Our prospects must be considered in light of the risks and uncertainties inherent in new business ventures. As a result, we cannot provide any assurance about our future performance or that our business strategy will be successful.

5. ***We have not entered into any definitive agreement or placed orders for the machinery and equipment required for our proposed power plant.***

Though we have obtained quotations from various vendors for the machinery and equipment required for setting up of the power plant, we have not yet entered into any definitive agreements or placed orders for the same. As a result, at the time of placing the orders, the price of the said machineries may vary from the price mentioned in the existing quotations received from vendors and hence the total fund requirement may increase which in turn may impact the total project cost, financial condition, results of operation and liquidity position adversely.

6. ***We have not entered into construction contract with any of the contractors.***

We have not entered into construction contracts for the power project. The principal raw materials used in construction of power project include cement and steel besides boilers, turbines and generators. The cost of these contracts is ultimately affected by the availability, cost and quality of raw materials. The prices and supply of these and other raw materials depend on factors not within our control, including general economic conditions, competition, production levels, transportation costs and import duties. Price increases or shortages in these raw materials could adversely affect our ability to develop our power project in line with our projected budget and we may not be able to complete our power project as scheduled, which would have an adverse effect on our business, financial condition and results of operations.

7. ***We have not entered into Power Purchase Agreement (PPA) for our power generation.***

We have not entered into PPA for our power generation. We intend to sell power to state run utility companies and industrial consumers either through entering long term PPA and/or on merchant basis/ spot sales. However we have not entered into off-take agreements for the power to be generated by our power project. It is likely that any decision by these entities regarding the purchase of power from us will depend

upon a variety of factors, some of which are beyond our control, such as the demand for power, the availability of alternative sources of supply, and the competitiveness of the various potential power producers. We cannot assure you that we will be able to enter into off-take arrangements on terms that are favourable to us, or at all, despite the existing demand supply gap for power in India. Failure to enter into off-take arrangements in a timely manner and on terms that are commercially acceptable to us could adversely affect our business, financial condition and results of operations.

8. ***We have not entered into long term fuel supply agreements with fuel suppliers and we may not be able to secure fuel at competitive prices which may have an adverse effect on our business prospects, financial condition and results of operations.***

Our power project would primarily be paddy husk fired project, although other biomass fuel like bagasse could also be used. The success of our operations will depend on, among other things, our ability to source fuel at competitive prices. We have not entered into long term fuel supply agreements with suppliers for supply of fuel for the power project. However we have entered into fuel supply agreement with Usher Agro Limited, one of our Promoter Companies which will cater approximately 34% of our total fuel requirement for generating 16 MW power.. For details of the fuel arrangements for our power project see the chapter “*Business Overview*” on page 57 of the Draft Red Herring Prospectus. There can be no assurance that we will be able to obtain the balance fuel requirement from other suppliers in sufficient quantities or on commercially acceptable terms, or at all, which could have an adverse effect on our business, financial condition and results of operations.

9. ***We have contingent liabilities as on March 31, 2008.***

As on March 31, 2008 and September 30, 2008, contingent liabilities not provided for were as follows:

Particulars	<i>(Rs. In lacs)</i>	
	As on March 31, 2008	As on September 30, 2008
Capital commitment outstanding	41.57	35.21

10. ***Our plan requires significant capital expenditure and if we are unable to obtain the necessary funds on acceptable terms for expansion, we may not be able to fund our power project and our business may be adversely affected.***

The setting up of power projects is a capital intensive business and our power project may require additional capital. Our estimated set up cost is Rs. 7,885 lacs, for which we have received sanction letter from bank for Rs. 2,500 lacs in secured loan. The implementation of our power project is also subject to a number of variables, and the actual amount of capital requirement to implement the power project may differ from our estimates. We cannot guarantee that the funding requirements of our power project will not substantially exceed these estimates. The estimated land and site development cost as per the assessment note of State Bank of India was Rs. 220 lacs, however we have already incurred Rs. 374.90 lacs towards the same till September 30, 2008. If the funding requirement of the power project increases, we will require additional sources of finance, which may not be readily available, or may not be available on commercially reasonable terms. In addition, our existing financing agreement provides that we need to obtain approval of our existing lender for incurring further indebtedness. We cannot assure you that we will receive such approvals in a timely manner or at all. If we are unable to raise the capital needed to fund the cost of our power project, or experience any delays in raising such funds, there could be an adverse effect on our ability to complete the power project and on our revenues and profitability.

11. ***One of our Promoters and one of our Promoter Group Companies have incurred losses in last three years***

Some of our Promoter Group Companies have incurred losses during last three years, as set forth in the table below:

(Rs. in lacs)

Name of the Company	Financial Performance as on March 31, 2008	Financial Performance as on March 31, 2007	Financial Performance as on March 31, 2006
	Profit After Tax	Profit After Tax	Profit After Tax
Transform Engineering Private Limited	(0.0037)	-	-
Vedika Finance Private Limited	14.57	(1.04)	4.78

12. ***Increase in interest rates may affect our results of operations.***

We are exposed to interest rate risk and do not currently enter into any swap or interest rate hedging transactions in connection with our loan agreement or other material agreements. We may enter into interest hedging contracts or other financial arrangements in the future to minimize our exposure to interest rate fluctuations. We cannot assure you, however, that we will be able to do so on commercially reasonable terms or any of such agreements we enter into will protect us fully against our interest rate risk. Any increase in interest expense may have an adverse effect on our business prospects, financial condition and results of operations.

13. ***We may not be successful in carrying out operating and maintaining (O&M) activities for our power project.***

We currently intend to carry out in-house O&M activities for our power project, in which we do not have any prior experience. We intend to build a team of experienced and qualified engineers and technicians to operate and maintain our power project. If we are not successful in operating and maintaining our power project on cost effective terms or at all, our financial position, business prospects and results of operations could be adversely affected.

14. ***Our success depends on stable and reliable transportation infrastructure.***

We depend on various forms of transport, such as roadways and railways during construction of our power project and during its operation. Further, disruptions of transportation services because of weather-related problems, strikes, lock-outs, inadequacies in the road or rail infrastructure, or other events could impair the ability of our suppliers to deliver fuel and raw materials. We can provide no assurance that such disruptions due to the occurrence of any of the factors cited above will not occur in the future.

15. ***Our success depends on the reliable and stable supply of water to our power project.***

Our power project will require a substantial amount of water, which is critical to the operations of our power project. The water requirements of the power plant will be met from the tube wells in the plant site. The water availability in the area is sufficient and the requirement of about 600 cu.m of water per day can be met from tube wells. In the event of water shortages, our power project may be required to reduce their water consumption, which would reduce their power generation capability.

16. ***The operations of our power project may be adversely affected by any breakdown of key equipment, civil structure and/ or transmission system.***

The breakdown or failure of generation equipment or other key equipment or of a civil structure can disrupt generation of electricity by the power plant and result in the performance being below the expected capacity utilization. Further, any breakdown or failure of the transmission system can disrupt transmission of electricity by the power plant. These events may result in the Company's inability to generate power as well as loss of revenues and increased cost towards repairs & maintenance.

17. ***Our business is subject to extensive government regulation and changes in these regulations or in their implementation could disrupt our operations and adversely affect our results of operations.***

Our business is subject to significant national and state environmental laws and regulations, which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from our operations. We expect that environmental laws will continue to become stricter. Compliance with current and future environmental regulations may require substantial capital expenditure. We may be required to bear additional expenditure for establishment of additional infrastructure for monitoring pollution impact and effluent discharge. We could be subject to substantial civil and criminal liability and other regulatory consequences if any environmental hazard is found at the site of our power plant, or if the operation of any of our power plant results in any contamination of the environment. The commencement of environmental actions against us or the imposition of any penalties or fines on us as a result of such contamination could have a material adverse effect on our business prospects and results of operations.

18. ***Changes in technology may impact our business by making our power plants less competitive or obsolete.***

Our future success will depend in part on our ability to respond to technological advances and emerging power generation industry standards and practices on a cost-effective and timely basis. Changes in technology and high fuel costs may make other generation plants more competitive than ours or may require us to make additional capital expenditures to upgrade our facilities. In addition, there are other technologies that can produce electricity, most notably fuel cells, microturbines, windmills and photovoltaic (solar) cells. If we are unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our business and our financial performance could be adversely affected.

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

We cannot assure that we will not experience disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations. We may be unable to negotiate acceptable collective bargaining agreements with those who have chosen to be represented by unions, which could lead to union-initiated work stoppages, including strikes, which could adversely affect our business and results of operations. We may enter into contracts with independent contractors to complete specified assignments and these contractors are required to source the labour necessary to complete such assignments. Although we do not propose to engage those labourers directly, it is possible under Indian law that we may be held responsible for wage payments to labourers engaged by contractors should the contractors default on wage payments. Any requirement to fund such payments may adversely affect our business, financial condition and results of operations.

20. ***Activities in the power generation business can be dangerous and can cause injury to people or property in certain circumstances.***

The power generation business requires us to work under potentially dangerous circumstances, with highly flammable materials. Despite compliance with requisite safety requirements and standards, our operations are subject to hazards associated with handling of such flammable materials. If improperly handled or

subjected to unsuitable conditions, these materials could hurt our employees or other persons, cause damage to our properties and properties of others and harm the environment. This could subject us to significant disruption in our business, legal and regulatory actions, costs and liabilities, which could adversely affect our business, financial condition and results of operations.

21. ***We expect to receive certain tax benefits, which may not be available to us in the future.***

In accordance with and subject to the condition specified in Section 80 IA of the Income Tax Act, 1961, we would be entitled to deduction of 100% of profits derived from the generation of power for any 10 consecutive assessment years out of 15 years beginning from the year in which the company starts generating power before March 31, 2010., subject to compliance with conditions specified in Section 80 IA. For details of the tax benefits available to us, see the chapter titled “*Statement of Tax Benefits*” on page 39 of the Draft Red Herring Prospectus.

22. ***We require several licenses/ approvals/ permissions for carrying on our business. If our Company is unable to obtain required approvals and licenses in a timely manner, our business and operations may be adversely affected. Further, we have not applied for licenses/ approvals/ permissions in relation to the objects of this Issue.***

We require certain approvals, licenses, registrations and permissions for operating our Company’s business, for some of which our Company has either made or are in the process of application. As on date of the Draft Red Herring Prospectus, we have applied for certain licenses/approvals/permissions, and are in the process. If our Company fails to obtain these approvals/ registrations/ licenses/ permissions, or renewals thereof, in a timely manner, or at all, our Company’s operations would be adversely affected, having a material adverse effect on our business, results of operations and financial condition. Our Company has applied for the following licenses, which are not yet received:

- a. Application dated May 14, 2008 for environmental clearance for the 16 MW Rice Husk based Biomass Power Plant at Mathura made to Department of Environment, Government of Uttar Pradesh.
- b. Application dated June 5, 2008 for approval of single line diagram for the 16 MW Rice Husk based Biomass Power Plant at Mathura made to Director of Electrical Safety, Government of Uttar Pradesh.

We cannot assure you that we will be able to obtain and comply with all necessary licenses, permits and approvals required for our plants, or that changes in the governing regulations or the methods of implementation will not occur. Additionally, if we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

23. ***If we are unable to implement our growth strategies in a timely manner, our business and results of operations could be adversely affected.***

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategy may place significant demands on our management and other resources. Our growth strategies involve risks and difficulties, many of which are beyond our control and accordingly there can be no assurance that we will be able to complete our plans on schedule or without incurring additional expenditures or at all. There can be no assurance that we will be able to execute our strategy on time and within the estimated budget in the future. If we are unable to implement our business and growth strategy, this may have an adverse effect on our business, financial condition and results of operations.

24. ***The premises used as our Registered and Corporate Office are not owned by us, and have been taken on lease***

Premises used for our Registered Office and Corporate office in Mumbai are occupied by us on the basis of a short-term lease and license agreements with Usher Agro Limited which is one of our Corporate Promoters and one Mrs. Bindu Ajitkumar Vora. The current lease and license agreements for our Registered and Corporate Office is valid till May 13, 2011 and October 31, 2010 respectively. The aforesaid agreement has termination clauses, and may be terminated prior to its validity period. For details regarding the terms and conditions of this agreement, please refer chapter titled “*History and other Corporate Matters*” on page 69 of the Draft Red Herring Prospectus.

There can be no assurance that this agreement would be renewed upon expiry or termination or on terms and conditions acceptable to us. Any failure to renew these said agreement or procure new premises will increase our costs or force us to look out for alternative premises which may not be available or which may be available at more expensive prices. Any or all of these factors may have a material adverse effect upon our business, results of operations and financial condition.

25. ***The name and logo of our Company have not been registered under the Trade Marks Act, 1999. We have not applied for the registration of the same, with the Trade Marks Registry***

We have not filed any applications for registering the name of our Company, under the Trade Marks Act, 1999. Further, our applications as and when made for registration of our trade marks may be opposed by third parties, and we may have to incur significant cost and spend time in litigations in relation to these oppositions. Till the time we do not obtain registration for our trademark we may not be able to avail of the legal protection and legal remedies (in case of infringement) available as a proprietor of registered trademarks.

26. ***We are subject to restrictive covenants under the Loan facility towards our Project provided to us by State Bank of India.***

Our lenders have certain rights which restrict the operation and growth of our business, including (i) restricting us from undertaking any new projects or leasing any assets without obtaining prior approval of the lenders during the currency of the loan; (ii) restricting us from undertaking expansion, diversification or modernization plans without obtaining prior approval of the lenders and without proper tie-up of funds, as well as investment in associate, allied or group concerns without prior approval of the lenders; (iii) restricting us from paying dividends without written approval of the lenders; and (iv) restricting us from issuing new shares, incurring further debt, creating further encumbrances on our assets and, undertaking guarantee obligations. For further details of lenders’ rights under our loan agreements, please refer to the chapter titled “*Financial Indebtedness*” beginning on page 129 of the Draft Red Herring Prospectus.

In the event the lenders refuse to grant the requisite approvals, such refusal may adversely impact our business. Further, any breach by us of any of the conditions imposed by such approvals granted by the lenders may be considered as a default of our obligations under such loan agreements.

27. ***We would continue to be controlled by our Promoters after the Issue, and our remaining shareholders would not be able to affect the outcome of most items requiring shareholder voting. Their interests may conflict with your interests as a shareholder.***

Post this Issue, our Promoters and Promoter Group will own [●]% of our fully diluted Equity Share capital. Accordingly, our Promoters will continue to have control over our business including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election, termination or appointment of our officers and directors. This control could delay, defer, or prevent a change in control in our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage potential acquirers from making an offer or otherwise attempting to

obtain control over our Company even if it is in its best interest. Our Promoters may also influence our material policies in a matter that could conflict with the interests of our other shareholders.

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

We have made the following allotment of Equity Shares in the twelve months period before the date of the Draft Red Herring Prospectus:

Date of Allotment	No. of Equity Shares	Face Value	Issue Price	Allottees
30 th September 2008	48,16,300	10	10	1. Usher Agro Ltd. 2. Transform Engineering Private Limited 3. Mr. Manoj Chaturvedi 4. Mr. Vinod Kumar Chaturvedi 5. Vedika Finance Private Limited.
28 th March 2008	15,70,000	10	10	1. Usher Agro Ltd. 2. Transform Engineering Private Limited 3. Mr. Manoj Chaturvedi
10 th December 2007	50,000	10	10	1. Usher Agro Limited. 2. Transform Engineering Private Limited

EXTERNAL RISK FACTORS

1. The market price of our Equity Shares may fluctuate due to the volatility of the Indian securities market.

There may not be an active or liquid market for our Equity Shares, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares. The Issue Price of the Equity Shares in this Issue will be determined by our Company in consultation with the BRLM, and it may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete. You may be unable to resell your Equity Shares at or above the Issue Price and, as a result, you may lose all or part of your investment. The price at which the Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including:

- our financial results and the financial
- results of the companies in the businesses we operate in;
- the history of, and the prospects for, our business and the sectors and industries in which we compete;
- an assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenues and cost structures;
- the present state of our development; and
- the valuation of publicly traded companies that are engaged in business activities similar to ours.

In addition, the Indian stock market has from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects. The market price of our Equity Shares may fluctuate due to the volatility of the Indian securities market and may be more volatile than the securities markets in other countries. Stock exchanges in India have, in the past, experienced substantial fluctuations in the prices of listed securities. The stock exchanges in India have experienced problems, including broker defaults and settlement delays, which, if were to continue or recur, could affect the market price and liquidity of the securities of Indian companies, including our Equity Shares. In addition, the governing bodies of the various Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

2. Our business and activities will be regulated by the Competition Act, 2002 as and when it is notified. It is unclear as to how the said Competition Act and Competition Commission of India will affect industries in India.

The Parliament has enacted the Competition Act, 2002 for the purpose of preventing practices having an adverse effect on competition under the auspices of the Competition Commission of India, which has not yet come into force. Under the said Competition Act, any arrangement, understanding or action whether or not formal or informal which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties. Any agreement inter alia which directly or indirectly determines purchase or sale prices, limits or controls production, shares the market by way of geographical area or market or number of customers in the market is presumed to have an appreciable adverse effect on competition. It is unclear as to how the said Competition Act and Competition Commission of India will affect industries in India.

3. Hostilities with neighbouring countries and civil unrest in India may have material adverse impact on the market for securities in India.

India has from time to time experienced instances of hostilities from neighbouring countries, including Pakistan and China. In recent years, military confrontations between India and Pakistan have occurred in Kashmir and along the India-Pakistan border, although the Governments of India and Pakistan have recently engaged in conciliatory efforts. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult. Such political tensions could create a greater

perception that investments in Indian companies involve a high degree of risk. Events of this nature in the future, as well as social and civil unrest, could influence the Indian economy and could have material adverse effect on the market for securities of Indian companies.

4. *Political, Economic and Social developments in India and acts of violence or war could adversely affect our business.*

Since 1991, the Government has pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. The new Government that has been formed as a result of 2004 general elections in India consists of a coalition of political parties. Any change in the economic policies by the new Government could change specific laws and policies affecting power generation company, pace of deregulation, foreign investment, currency exchange rates and other matters which could adversely affect the investment in our Equity Shares. Acts of violence, terrorist activity or war could affect the industrial and commercial operations in the country create a perception that investments in Indian companies involve a higher degree of risk which could have a material adverse effect on the market for securities of Indian companies.

5. *A slowdown in economic growth in India and other unfavourable changes in political and economic factors may adversely affect our business and results of operations.*

All our business facilities are located in India. Our Company, the market price and liquidity of our Equity Shares, may be adversely affected by fluctuations in foreign exchange rates and controls, interest rates, changes in Government policy, taxation, social and civil unrest and other negative political developments like any abrupt change in the Central or any State Government wherever we have business interests, etc., economic developments like very high rate of inflation, slow down in growth, decrease in foreign investments, etc. or other developments in or affecting India. Particularly slow down in economic growth may make the Governments spend relatively less on agriculture and agricultural growth is also linked to overall economic growth, which may ultimately be unfavourable to the Company's business. During the past decade, the Government has pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. Nevertheless, the role of Government and State Governments in the Indian economy in relation to producers, consumers and regulators has remained significant. It cannot be assured that the liberalization policies will continue in future. For example, because of the change in Central Government certain liberalization policies like disinvestment in public sector enterprises, capital account convertibility etc. have been put on hold. The Government may also pursue other policies which could have a material adverse effect on our business. The rate of economic liberalization could change, and specific laws and policies affecting our business, suppliers, foreign investment, currency exchange rates and other matters affecting our business are also subject to change. A significant change in the Government's or Indian State Governments' economic liberalization and deregulation policies could adversely affect business and economic conditions in India generally and our business and financial condition and prospects in particular.

6. *Any downgrading of India's debt rating by an international rating agency could have an unfavourable impact on our business.*

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

7. *India is vulnerable to natural disasters that could severely disrupt our normal operations of business and adversely affect our earnings.*

India is susceptible to tsunamis and earthquakes. On December 26, 2004, Southeast Asia, including the Eastern coast of India, experienced a tsunami that caused significant loss of life and property damage. On January 26, 2001, the Kutch region in the State of Gujarat suffered a major earthquake causing significant loss of life and property. Substantially all of our facilities and employees are located in India. If our facilities are damaged by an earthquake, tsunami or other natural disaster, its global capability could be interrupted or delayed. As a

result, a natural disaster in India could have a material adverse effect on our financial condition and results of operations.

Notes to Risk Factors:

- i) Public Issue of [●] Equity Shares of Usher Eco Power Limited at a price of Rs. [●] per Equity Share for cash aggregating Rs. 5,250 lacs including Promoters' Contribution of [●] Equity Shares at a price of Rs. [●] per Equity Share for cash aggregating Rs. 1,650 lacs and Net Issue to the public of [●] Equity Shares at a price of Rs. [●] per Equity Share aggregating Rs. 3,600 lacs. The Net Issue will constitute [●] % of the post Issue paid-up capital of our Company. There shall also be a Green Shoe Option for allocating up to [●] Equity Shares at a price of Rs. [●] each aggregating Rs. 787.50 lacs, in excess of the equity shares that are included in the Issue. The Issue with the Green Shoe Option aggregates Rs. 6037.50 lacs. The Issue would constitute [●] % of the fully diluted post Issue paid-up Equity Share capital of the Company assuming no exercise of the Green Shoe Option and [●] % assuming the Green Shoe Option is exercised in full. Our Company is considering a Pre-IPO Placement with certain investors. The Pre-IPO Placement, if any will be completed before the filing on Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed the Issue Size and the Net Issue would be reduced to the extent of such Pre-IPO Placement, subject to a minimum of 25% of the post-issue paid up Equity Share capital of our Company. Further, the Green Shoe Option shall be subject to the maximum of 15% of such revised Issue size.
- ii) This Issue is being made through a 100% Book Building Process wherein upto 50% of the Net Issue (subject to mandatorily minimum 10%) will be Allocated to Qualified Institutional Buyers (QIBs) on a proportionate basis, subject to valid bids being received at or above the Issue Price. Out of the portion available for allocation to the QIBs, 5% will be available for Allocation to Mutual Funds only. Mutual Fund Bidders shall also be eligible for proportionate allocation under the balance available for the QIBs. Further, not less than 15% of the Net Issue shall be available for Allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net 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.
- iii) Pre-Issue net worth of the Company was Rs. 641.33 lacs as of September 30, 2008 as per our restated financial statements included in the Draft Red Herring Prospectus.
- iv) The net asset value per Equity Share of Rs. 10 each was Rs. 9.89 as of September 30, 2008 as per our restated financial statements included in the Draft Red Herring Prospectus.
- v) The average cost of acquisition per Equity Share allotted to our Promoters is as follows:

Name of Promoter	Cost per Equity Share Rs.
Mr. Vinod Kumar Chaturevedi	10/-
Mr. Manoj Chaturvedi	10/-
Usher Agro Limited	10/-
Transform Engineering Private Limited	10/-

- vi) For details on Related Party Transactions and Loans and Advances made to any company in which our Directors are interested please refer to chapter titled "*Auditors' Report and Financial Information of our Company*" on page 99 of the Draft Red Herring Prospectus.
- vii) We have not revalued our assets since incorporation.
- viii) Trading in Equity Shares of our Company for all investors shall be in dematerialised form only.
- ix) Our Company is considering a Pre-IPO placement with certain investors, ("Pre-IPO Placement"). The Pre-IPO placement, if any will be completed before the Issue Opening Date. If the Pre-IPO Placement is

completed the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue of 25% of the post-Issue paid up Equity Share capital being offered to the public.

- x) The BRLM and our Company shall make all information available to the public and investors at large and no selective or additional information would be available only to a section of the investors in any manner whatsoever.
- xi) Other than as disclosed in Annexure – XVI of the Financial Statements titled “*Related party relationships & transactions with the related parties*” on page 116 of the Draft Red Herring Prospectus, there are no other related party transactions among our company, the Promoters and Promoter group entities.
- xii) Other than as disclosed either in related party transaction or otherwise, our Promoters / Directors / Key Management Personnel of our Company have no interest other than reimbursement of expenses incurred or normal remuneration or benefits arising out of the shareholding in our Company or out of any business relation with any of the ventures in which they are interested. For interests of our Promoters and Directors, please refer the chapters titled “*Auditors’ Report and Financial information of our Company*”, “*Our Management*” and “*Our Promoters and their Background*” on pages 99, 71 and 84, respectively of the Draft Red Herring Prospectus.
- xiii) No loans and advances have been made to any person(s) / Companies in which the Director(s) of our Company are interested except as stated in the Report of our Statutory Auditors, M/s. Haribhakti & Co., Chartered Accountants, For details please refer to chapter titled “*Auditors’ Report and Financial information of our Company*” on page 99 of the Draft Red Herring Prospectus.
- xiv) Our Company and the BRLM are obliged to keep the Draft Red Herring Prospectus updated and inform the public of any material change / development until the listing and trading of the Equity Shares offered until the Issue commences.
- xv) Investors are advised to refer to chapter titled “*Basis for Issue Price*” on page 37 of the Draft Red Herring Prospectus before making an investment in this Issue.
- xvi) Investors may note that in case of over-subscription in this Issue, allotment to QIB’s, Non Institutional and Retail Portion, shall be on proportionate basis. For details, please refer chapter titled “*Issue Structure*” on page 147 of the Draft Red Herring Prospectus.
- xvii) The 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 13 of the Draft Red Herring Prospectus.
- xviii) There are no contingent liabilities as on March 31, 2008, except as mentioned in “*Auditor’s Report and Financial Information of our Company*” on page 99 of the Draft Red Herring Prospectus.
- xix) Our Company was incorporated as Usher Eco Power Limited under the Companies Act, 1956 on July 20, 2007 at Mumbai with the Registrar of Companies, Maharashtra at Mumbai vide Corporate Identification Number U40102MH2007PLC172552 with our registered office at 212, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri(West), Mumbai -400 053. Our registered office has not changed since inception.

SECTION IV – INTRODUCTION

This is only a summary and does not contain all the information that you should consider before investing in our Equity Shares. You should read the entire Draft Red Herring Prospectus, including the information contained in the chapters titled “Risk Factors” and “Auditor’s Report and Financial Information of our Company” and related notes beginning on page xiii and 99 of the Draft Red Herring Prospectus before deciding to invest in our Equity Shares.

SUMMARY OF INDUSTRY

Overview of Power Sector

The growth of the economy and its global competitiveness hinges on the availability of reliable and quality power at competitive rates. The demand of power in India is enormous and is growing steadily. The vast Indian power market, today offers one of the highest growth opportunities for private developers. The Government of India has identified the power sector as a key sector of focus to promote sustained industrial growth. It has embarked on an aggressive mission –“Power for All by 2012”– and has undertaken multiple reforms to make the power sector more attractive to private sector investment.

Today, most of the regions in the country are plagued with power shortages leading to erratic and unreliable supply. The problem becomes acute during peak hours and thus necessitates planned load shedding by many utilities to maintain the grid in a healthy state. Based on the projections of demand made in the 17th Electric Power Survey, total generation capacity of over 300,000 MW would be needed at the end of 2017 to meet the energy requirement, which is expected to grow at the compounded annual growth rate of 7.1%.

India is endowed with vast energy resources, both conventional and non-conventional. In the new millennium, environment compulsions on one hand and the need to achieve energy security on the other demand thrust on development power from non-conventional resources.

India’s GDP is projected to grow over 8% in the 11th Plan Period (2007-12); the desirable growth rate for power sector would be 10%. To meet the projected demand in 2011-12, additional capacity of about 78,577 MW is required to be added during the plan period. The year 2007-08 was favorable for the power industry compared with the year 2006-07. Capacity addition, growth in generation capacity and bidding of Ultra Mega Power Projects (UMPP) were some of the achievements.

Power Generation

The overall generation in the country has increased from 390 BU during 1997-98 to 624 BU during 2006-07 that is at a compounded annual growth rate of approximately 5.4 per cent. As on February 29, 2008, India’s power system had an installed generating capacity of around 141,499.84 MW. The breakup of the total installed capacity for generation of power from all the available sources for the country as a whole as on February 29, 2008 is given as under:

Sector	MW	Proportion
State Sector	74,453.76	52.5%
Central Sector	47,520.99	34.0%
Private Sector	19,525.09	13.5%
Total	1,41,499.84	100%

Source: Ministry of Power, Government of India

Biomass

The term 'biomass' refers to organic matter, which can be converted to energy. Some of the most common biomass fuels are wood, agricultural residues, and crops grown specifically for energy. In addition, it is possible to convert municipal waste, manure or agricultural products into valuable fuels for transportation, industry, and even residential use. As a renewable fuel, biomass is used in nearly every corner of the developing world as a source of heat, particularly in the domestic sector. Unlike other renewables, biomass is a versatile source of energy, which can be converted to 'modern' forms such as liquid and gaseous fuels, electricity, and process heat.

Biomass based projects offer several benefits such as avoided use of fossil fuels, modular nature and efficient generation of heat and power, improved local and general security of supply, increasing cost-effectiveness, and reduced need for waste disposal. The environmental benefits associated with these projects include reduction in green house gases and protection of the ozone layer. Among the various renewable energy sources, biomass conversion technologies is one of the best suited for conversion to shaft power/electricity.

Amongst the various renewable energy sources, bio-resources, of which agro-residue forms a major component, hold special promise as future fuel and feedstock. Biomass based systems are the only energy generating systems, which have the combined benefits of renewability, decentralization, and availability on demand without need for separate storage. Rice husk constitutes the largest by-product of rice milling and one fifth of the paddy by weight consists of rice husk. Rice husk has a considerable fuel value for a variety of possible industrial uses. Rice husk is a good feedstock for power generation due to its high calorific value. Moreover rice husk based power generation plants have higher load factor as compared to Wind based power plants.

Way ahead

Biomass contributes 14% of the total energy supply worldwide. (CII – June 2004). Projections indicate that within decades, it would be cost-effective to generate and supply renewable electricity up to several thousands megawatts due to continued improvement in renewable energy devices (increasing efficiency and reducing cost) creating maximum impact on global power scenario. Besides grid supply augmentation, renewable energy technology offers possibility of decentralized power generation at or near points of use, which can reduce peaking loads and save on cost of upgradation and maintenance of transmission and distribution networks to serve the growing demand.

SUMMARY OF BUSINESS

Our company was incorporated as a public limited company on July 20, 2007 in Maharashtra under the Companies Act, 1956. Our company's current Promoters are Mr. Vinod Kumar Chaturvedi, Mr. Manoj Chaturvedi, Usher Agro Limited and Transform Engineering Private Limited.

We propose to set up an eco-friendly paddy husk fired 16 MW biomass based cogeneration power project. The biomass power project of 16 MW capacity will primarily utilize paddy husk as feed stock. However, other biomass fuel like baggase may also be used as feedstock. We believe that both paddy husk and bagasse will be available in and around Mathura, U.P. We have already acquired land admeasuring 4.16 hectares in Chhata, Mathura, U.P. for setting up the power project. We believe we will be able to secure water supply from tube wells to be installed in the plant complex. The area in proximity of proposed power project has sufficient irrigation facilities thereby maintaining the sustained availability of agro residues to be utilized as feedstock.

One of our promoter company Usher Agro Limited (UAL) is engaged in milling and processing of paddy and wheat. UAL is engaged in the processing of raw white rice, par-boiled rice and steam rice of different grades of non-basmati rice, basmati rice and wheat products like atta, maida and suzi. UAL has rice milling facilities at Mathura in U.P and Buxar in Bihar and wheat milling facilities at Mathura in U.P. UAL has also set up a 1 MW cogeneration power plant utilizing paddy husk for captive consumption at Mathura. In September, 2006 UAL came out with an Initial Public Offer (IPO) for 1, 20, 12,000 Equity Shares of the face value of Rs. 10 each at a premium of Rs. 5 per share for cash aggregating to Rs. 1801.80 Lacs.

Our Competitive Strengths

- **Experienced Promoters supported by efficient management**

Our Promoters Mr. Vinod Kumar Chaturvedi and Mr. Manoj Chaturvedi have been associated with the agri-processing industry for over a decade. Our Promoters have previously set up a 1 MW cogeneration captive power plant at UAL's rice milling plant at Mathura. We believe our management team possesses requisite qualifications and experience commensurate with their responsibilities.

- **Sufficient availability and supply of raw material**

We believe that we will be able to secure adequate fuel for our plant as the Mathura region falls under the rice belt. Further, other biomass fuel like bagasse is also available in the region. We have also entered into an agreement with UAL, our Promoter, for the supply of rice husk to be used as fuel for our plant. We estimate that our arrangement with UAL will be able to provide 34% of the fuel requirement for our plant.

- **Location advantage to the power project**

The site for our proposed plant is located at about 6 km from Kosi, a town near National Highway 2 (Delhi-Agra), Mathura in U.P. The site is about 36 kms from Mathura. The site and the nearby villages are well connected by roads. The location of power plant enables power to be directly fed to the local substation, consequently minimizing transmission and distribution (T&D) losses and the requirement of long feeder lines.

- **Use of efficient technology for increased efficiency**

We would deploy technologically efficient equipments and control instrumentation would enable minimum energy consumption for auxiliary equipments so that maximum power can be exported to the state grid, thereby increasing the operational efficiency of the power plant.

- **CDM benefit**

Our 16 MW project has the potential of qualifying for Clean Development Mechanism (CDM) benefits under the Kyoto Protocol as using biomass in place of a fossil fuel is a renewable energy activity. Power generation using agro residues is environmentally clean as they produce very little fly ash and have negligible sulphur content. The Kyoto Protocol paved the way for the Clean Development Mechanism (“CDM”), a program that encourages sustainable development projects that reduce greenhouse gases in the earth’s atmosphere by issuing tradable certificates called Certified Emission Reductions (“CERs”). CER/carbon credits are financial derivatives product that derive its value from reduction in carbon emission.

Our Business Strategy

Our strategy is to firm up and expand our market position as a producer of clean power. We aim to achieve our objectives by implementing the following strategies:

- **Firming up our foothold and expanding our market share**

Once our power plant starts generating power, we intend to increase our power generating capacity by either expanding our proposed plant or setting up new power plants in other locations across India, thereby increasing our market share. We intend to set up the new power plants close to either demand centres or fuel sources in order to generate power at low cost and minimize transmission losses.

- **Ensuring sufficient fuel supply**

The agro crop potential in the area in proximity to the proposed power plant is sufficient which would maintain sufficient fuel supply for power generation. The area falls under the rice belt and other biomass fuel like bagasse is also available in sufficient quantity. We intend to have firm arrangements for securing quality fuel from various sources for which we intend to sign agreements with various potential fuel suppliers.

- **Regular technology upgradation**

We would continuously endeavor to upgrade our facility with latest technology. Use of latest equipments and control instrumentation would enable maximum utilization of the plant efficiency.

- **Identifying growth opportunities through strategic acquisitions and alliances**

We are looking out for strategic acquisitions and alliances as a part of our business strategy to grow. This would be beneficial for us, as we would get access to newer customers in a short span of time. On the operations front we intend to acquire or enter into alliances with companies having relevant experience and synergies.

SUMMARY OF FINANCIAL INFORMATION

Summary of Assets and Liabilities – Restated

(Amount in Rs.)

Particulars	As at 30 th September, 2008	As at 31 st March, 2008	As at 31 st March, 2007	As at 31 st March, 2006	As at 31 st March, 2005
Fixed Assets					
I. Completed Assets					
Gross Block	37,759,632	37,691,200	-	-	-
Less: Depreciation	37,705	8,013	-	-	-
Net Block	37,721,927	37,683,187	-	-	-
II. Capital Work in progress	973,289	-	-	-	-
III. Capital Advance	4,776,700	337,080	-	-	-
IV. Pre Operative Expenses	9,437,092	2,635,892	-	-	-
Sub Total (A)	52,909,008	40,656,159	-	-	-
B. Investments	-	-	-	-	-
Current Assets, Loans and Advances					
Inventories	-	-	-	-	-
Sundry Debtors	-	-	-	-	-
Cash and Bank balances	9,561,159	2,752,949	-	-	-
Loans and Advances	6,389,313	2,222,660	-	-	-
Sub Total (C)	15,950,472	4,975,609	-	-	-
Less: Liabilities & Provisions					
Secured Loans	-	-	-	-	-
Unsecured Loans	-	-	-	-	-
Current Liabilities	4,719,741	1,270,667	-	-	-
Provisions	6,913	1,275	-	-	-
Share Application Money	-	28,390,000	-	-	-
Sub Total (D)	4,726,654	29661942	-	-	-
Net Worth (A+B+C-D)	64,132,825	15,969,826	-	-	-
Represented by					
Share Capital	64,863,000	16,700,000	-	-	-
Reserves & Surplus	-	-	-	-	-
Less: Miscellaneous Expenditure not written off	(511,121)	(584,139)	-	-	-
Less: Profit and Loss Account	(219,053)	(146,035)	-	-	-
Net Worth	64,132,825	15,969,826	-	-	-

Summary Statement Of Profit & Loss - Restated

Particulars	For the period ended 30 th September 2008	For the period ended 31 st March 2008	For the period ended 31 st March 2007	For the period ended 31 st March 2006	For the period ended 31 st March 2005
Income					
Net sales of products manufactured by the Company	-	-	-	-	-
Other Income	-	-	-	-	-
Increase / (Decrease) in Stock	-	-	-	-	-
Total	-	-	-	-	-

Expenditure					
Raw Material consumed	-	-	-	-	-
Staff Costs	-	-	-	-	-
Other Manufacturing Expenses	-	-	-	-	-
Administration Expenses	-	-	-	-	-
Selling and Distribution Expenses	-	-	-	-	-
Interest	-	-	-	-	-
Depreciation	-	-	-	-	-
Preliminary Expenses written off	73,018	146,035	-	-	-
Total	(73,018)	(146,035)	-	-	-
Net Profit/ (Loss) before Extra Ordinary Items & Tax	(73,018)	(146,035)	-	-	-
Current tax	-	-	-	-	-
Net Profit/ (Loss) before Extra Ordinary Items	(73,018)	(146,035)	-	-	-
Less: Extra Ordinary Items	-	-	-	-	-
Net Profit/Loss After Extra Ordinary Items	(73,018)	(146,035)	-	-	-

THE ISSUE

Equity Shares Offered in the Issue	[●] Equity Shares aggregating Rs. 5,250 lacs.
Of which:	
Promoters Contribution	[●] Equity Shares aggregating Rs. 1,650 lacs.
Net Issue to the public	[●] Equity Shares aggregating Rs. 3,600 lacs
Of which:	
A. Qualified Institutional Buyers Portion	[●] Equity Shares aggregating Rs. 1,800 lacs, constituting upto 50% of the Net Issue (subject to mandatory allotment of minimum 10% of the Issue to QIBs), available for Allocation to QIBs on a proportionate basis, subject to valid bids being received at or above the issue price. 5% of the QIB Portion i.e. [●] Equity Shares aggregating Rs. 90 lacs shall be available for Allocation on a proportionate basis to Mutual Funds only. Mutual Fund Bidders shall also be eligible for proportionate allocation under the balance available in the QIB portion.
B. Non-Institutional Portion	[●] Equity Shares aggregating Rs. 540 lacs, constituting not less than 15% of the Net Issue that will be available for Allocation to Non-Institutional Bidders on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
C. Retail Portion	[●] Equity Shares aggregating Rs. 1,260 lacs constituting not less than 35% of the Net Issue that will be available for Allocation to Retail Individual Bidders on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
D. Green Shoe Option Portion	Not exceeding [●] Equity Shares aggregating Rs. 787.50 lacs.
E. The Issue and Green Shoe Option Portion	Not exceeding [●] Equity Shares aggregating to Rs. 6037.50 lacs.
Equity Shares outstanding prior to the Issue	64,86,300 Equity Shares
Equity Shares outstanding after the Issue (assuming Green Shoe option is not Exercised)	[●] Equity Shares
Equity Shares outstanding after the Issue (assuming Green Shoe Option is fully exercised)	[●] Equity Shares
Use of Proceeds	Please refer to chapter titled “ <i>Objects of the Issue</i> ” on page 31 of the Draft Red Herring Prospectus for information or use of Issue proceeds.

- Our company is considering a Pre-IPO Placement with certain investors. The Pre-IPO Placement, if any will be completed before the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue Size and the Net Issue would be reduced to the extent of such Pre-IPO Placement, subject to a minimum of 25% of the post-Issue paid up Equity Share capital of our Company being offered to the public. Further, the Green Shoe Option shall be subject to a maximum of 15% of such revised Issue size.
- Under subscription, if any, in any category (subject to mandatory minimum of 10% being allotted to QIBs) shall be allowed to be met with spillover from the other categories, at the sole discretion of our Company and the BRLM in consultation with the Designated Stock Exchange. Allocation in all the aforesaid

categories shall be on a proportionate basis. If at least 10% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith.

- The Green Shoe Option Shall be excersiced at the discretion of the BRLM and our Company only with respect to the Loaned Shares for which purpose the Green Shoe Lenders have agreed to lend up to [•] Equity Shares. For further details, see the chapter titled “Green Shoe Option” on page 9 of the Draft Red Herring Prospectus.

GREEN SHOE OPTION

We intend to establish an option for allocating Equity Shares in excess of the Equity Shares that are included in the Issue in consultation with the BRLM and the Stabilizing Agent to operate a price stabilization mechanism in accordance with the applicable SEBI Guidelines. The Green Shoe Lenders will lend the Equity Shares to the Stabilizing Agent. Upon exercise of the Green Shoe Option, we shall issue the Over Allotment Shares. The Green Shoe Option was authorized by our shareholders at the Annual General Meeting held on June 27, 2008. The Green Shoe Option will operate in the manner set out below.

We have appointed IDBI Capital Market Services Limited as the Stabilizing Agent, for performance of the role of Stabilizing Agent as envisaged in Chapter VIIIA of the SEBI Guidelines and the Stabilization Agreement, including price-stabilizing post listing, if required in case the market price falls below the Issue Price upto the same number of shares as lent by the Green Shoe Lenders. There is no obligation to conduct stabilizing measures. If commenced, stabilization will be conducted in accordance with applicable laws and regulations and such stabilization may be discontinued at any time and in any case will not continue for a period exceeding 30 days from the date when trading permission is given by the Stock Exchanges. The Stabilizing Agent will borrow Equity Shares from Green Shoe Lenders. The Equity Shares borrowed from Green Shoe Lenders or purchased in the market for price stabilizing purposes will be in demat form only. The Equity Shares available for allocation under the Green Shoe Option will be available for allocation to Qualified Institutional Buyers, Non-Institutional Bidders and Retail Individual Bidders in the ratio of 50:15:35 assuming full demand in each category. On October 8, 2008, we have entered into a Stabilization Agreement with the Green Shoe Lenders – Mr. Vinod Kumar Chaturvedi, Mr. Manoj Chaturvedi, and IDBI Capital Market Services Limited as the Stabilizing Agent. The Green Shoe Lenders has agreed to lend Equity Shares of our Company, which shall not be in excess of 15% of the Issue. Green Shoe Lenders has agreed to lend the following number of Equity Shares for the purpose of the Green Shoe Option:

Name of the Green Shoe Lenders	Number of Equity Shares	Total Amount if Green Shoe Option is fully exercised (in Rs. Lacs)
Mr. Vinod Kumar Chaturvedi	[•]	[•]
Mr. Manoj Chaturvedi	[•]	[•]

The terms of the Stabilization Agreement provide that:

1. Stabilization Period

“Stabilization Period” shall mean the period commencing from the date of obtaining the trading permission from the Stock Exchanges for the Equity Shares allotted in the Issue and ending on the earlier of thirty calendar days thereafter or the date on which a number of shares equal to the Over-Allotment Shares has been repurchased by the Stabilizing Agent.

2. Decision regarding Exercise of Green Shoe Option

- i. On the Pricing Date, the BRLM/ Stabilizing Agent shall, in consultation with our Company, the Green Shoe Lenders and the Stabilizing Agent, shall take a decision relating to the exercise of the Green Shoe Option.
- ii. In the event, it is decided that the Green Shoe Option shall be exercised, the Company in consultation with the Stabilizing Agent, shall make over-allotment of Equity Shares as per the procedure detailed below.

3. Procedure for Over Allotment and Stabilization

- i. The monies received from the applications for Equity Shares in the Issue against the over allotment shall be kept in the GSO Bank Account, which is a distinct account separate from the Public Issue Account and shall be used only for the purpose of stabilization of the post listing price of the Equity Shares.
- ii. The allocation of the Over Allotment Shares shall be done in conjunction with the allocation of Issue so as to achieve pro-rata distribution.

- iii. Upon such allocation, the Stabilizing Agent shall transfer the Over-Allotment Shares from the GSO Demat Account to the respective depository accounts of successful Bidders.
- iv. For the purpose of purchasing the Equity Shares from the market, the Stabilizing Agent shall use the funds lying to the credit of GSO Bank Account.
- v. The Stabilizing Agent shall solely determine the timing of buying the Equity Shares, the quantity to be bought and the price at which the Equity Shares are to be bought from the market for the purposes of stabilization of the post-listing price of the Equity Shares.
- vi. The Equity Shares purchased from the market by the Stabilizing Agent, if any, shall be credited to the GSO Demat Account and shall be returned to the Green Shoe Lenders immediately on the expiry of the Stabilization Period but in no event later than the expiry of two working days thereafter.
- vii. In the event the Equity Shares lying to the credit of the GSO Demat Account at the end of the Stabilization Period but before the transfer to the Green Shoe Lenders is less than the Over Allotment Shares, upon being notified by the Stabilizing Agent and the equivalent amount being remitted to us from the GSO Bank Account, our Company shall within four (4) days of the receipt of notice from the Stabilizing Agent of the end of the Stabilization Period allot new Equity Shares in dematerialized form in an amount equal to such shortfall to the credit of the GSO Demat Account. The newly issued Equity Shares shall be returned by the Stabilizing Agent to the Green Shoe Lenders in final settlement of Equity Shares borrowed, within two (2) working days of them being credited into the GSO Demat Account, time being of essence in this behalf.
- viii. Upon the return of Equity Shares to the Green Shoe Lenders pursuant to and in accordance with sub clauses (vi) and (vii) above, the Stabilizing Agent shall close the GSO Demat Account.
- ix. The Equity Shares returned to the Green Shoe Lenders under this clause shall be subject to remaining lock-in-period, if any, as provided in the SEBI Guidelines.

4. GSO Bank Account

The Stabilizing Agent shall remit from the GSO Bank Account to our Company, an amount, in Indian Rupees, equal to the number of Equity Shares at Issue Price to be allotted by us to the GSO Demat Account. The amount left in this account, if any, after this remittance and deduction of expenses including depository, brokerage and transfer fees and net of taxes, if any, incurred by the Stabilizing Agent in connection with the activities under the Stabilization Agreement, shall be transferred to the Investor Protection Fund of the Stock Exchanges in equal parts. Upon the return of Equity Shares to the Green Shoe Lenders, the Stabilizing Agent will close the GSO Bank Account.

5. Reporting

During the Stabilization Period, the Stabilizing Agent will submit a report to the Stock Exchanges on a daily basis. The Stabilizing Agent will also submit a final report to SEBI in the format prescribed in Schedule XXIX of the SEBI Guidelines. This report will be signed by the Stabilizing Agent and our Company and be accompanied by the depository statement for the GSO Demat Account for the Stabilization Period indicating the flow of shares into and from the GSO Demat Account. If applicable, the Stabilizing Agent will, along with the report give an undertaking countersigned, if required by the respective depositories of the GSO Demat Account and the Green Shoe Lenders regarding confirmation of lock-in on the Equity Shares returned to the Green Shoe Lenders in lieu of the Over-Allotment Shares.

6. Rights and obligations of the Stabilizing Agent

- i. Open a special bank account “Special Account for GSO Proceeds of Usher Eco Power Limited” or GSO Bank Account and deposit the money received against the over-allotment in the GSO Bank Account.
- ii. Open a special account for securities “Special Account for GSO Shares of Usher Eco Power Limited” or GSO Demat Account and receive the Equity Shares lent by the Green Shoe Lenders and allocate to applicants to the Issue and credit the Equity Shares bought by the Stabilizing Agent, if any, during the Stabilization Period to the GSO Demat account.

- iii. Stabilize the market price only in the event of the market price falling below the Issue Price as per SEBI Guidelines, including determining the price at which Equity Shares to be bought, timing etc.
- iv. On exercise of Green Shoe Option at the end of the Stabilization Period, to request our Company to issue Equity Shares and to transfer funds from the GSO Bank Account to our Company within a period of five working days of close of the Stabilization Period.
- v. On expiry of the Stabilization Period, to return the Equity Shares to the Green Shoe Lenders either through market purchases or issued by our Company on exercise of Green Shoe Option as part of stabilizing process.
- vi. To submit daily reports to the Stock Exchanges during the Stabilization Period and to submit a final report to SEBI.
- vii. To maintain a register of its activities and retain the register for three years. Net gains on account of market purchases in the GSO Bank Account to be transferred net of all expenses and net of taxes, if any, equally to the Investor Protection Fund of the Stock Exchanges.

7. Rights and obligations of the Green Shoe Lenders

- i. The Green Shoe Lenders undertakes to execute and deliver all necessary documents and give all necessary instructions to procure that all rights, title and interest in the Equity Shares lent shall pass to the Stabilizing Agent/GSO Demat Account free from all liens, charges and encumbrances.
- ii. On receipt of notice from the Stabilizing Agent, to transfer the Equity Shares lent to the GSO Demat account.
- iii. The Green Shoe Lenders will not recall or create any lien or encumbrance on the Equity Shares lent until the transfer of Equity Shares to the GSO Demat Account under the terms of the Stabilization Agreement.

8. Rights and obligations of the Company

The Company shall within four Business Days of the receipt of the notice from the Stabilizing Agent (and in any case within 5 Business Days of the end of the Stabilizing Period) and receipt of the Green Shoe Shortfall Amount, allot such number of Equity Shares that are equal to the Green Shoe Shortfall in dematerialised form to the GSO Demat Account.

9. Fees and Expenses

- i. For lending the Over Allotment Shares and facilitating the stabilization process under this Agreement, the Company shall pay the Green Shoe Lenders a fee of Rs 25,000/- (Rs. Twenty Five Thousand only) each.
- ii. For providing the stabilizing services under this Agreement, the Company shall pay the Stabilizing Agent a fee of 3% of the aggregate price of the Over Allotment Shares at Issue Price, upon completion of the Stabilization Period plus service tax.
- iii. The Stabilizing Agent shall deduct from the GSO Bank Account the following expenses:
 - Demat and transfer cost;
 - Brokerage / underwriting fee and selling commission, inclusive of service tax and securities transaction tax;

However, these expenses would be subject to availability of any proceeds in the GSO Bank Account and as per the guidelines of SEBI in this regard.

10. Procedure for exercise of Green Shoe Option

The primary objective of the Green Shoe mechanism is stabilization of the market price of Equity Shares after listing. Towards this end, after listing of Equity Shares, in case the market price of the Equity Shares fall below the Issue Price, then the Stabilization Agent, at its sole and absolute discretion, may start purchasing Equity Shares from the market with the objective of stabilization of the market price of the Equity Shares. The Stabilizing Agent, at its sole and absolute discretion, would decide the quantity of Equity Shares to be purchased, the purchase price and the timing of purchase. The Stabilization Agent, at its sole and absolute discretion, may spread orders over a period of time or may not purchase any Equity Shares under certain circumstances where it believes purchase of Equity Shares may not result in stabilization of market price.

Further, the Stabilization Agent does not give any assurance that would it be able to maintain the market price at or above the Issue Price through stabilization activities.

The funds lying to the credit of GSO Bank Account would be utilized by the Stabilization Agent to purchase the Equity Shares from the market and such Equity Shares would be credited to GSO Demat Account. The operations of GSO Demat Account and GSO Bank Account are explained in the paragraphs above.

11. Example of how the Green Shoe Option works (investors should note that the following description is solely for the purpose of illustration and is not specific to this Issue):

As an example, assume a public issue of 1,00,000 equity shares at a price of Rs. 100 each where a green shoe option of 10% of the issue size is given:

Issue size – 1,00,000 equity shares aggregating Rs. 1,00,00,000

Green shoe - 10,000 equity shares aggregating Rs. 10,00,000

In this case, 10,000 equity shares corresponding to the green shoe option would be borrowed from a green shoe lender. The green shoe lender could be the promoter of a company or any shareholder who can lend such number of equity shares.

After the issue has closed and assuming bids have been received for 1,10,000 equity shares, the issuer company, in consultation with the book running lead managers, will allot a total of 1,10,000 equity shares aggregating Rs. 1,10,00,000 to successful applicants.

After the listing of the equity shares on the (selected) stock exchange(s) two situations may arise:

Market price of Equity Shares falls below the issue price of Rs. 100 during the stabilization period:

The stabilizing agent, at its sole discretion, shall determine the timing and quantity of any purchases of shares, and the price at which such shares are purchased in the market to stabilize the price. The stabilizing agent can purchase equity shares up to the total number of equity shares borrowed from the green shoe lender, which is the size of the green shoe option (i.e. 10,000 equity shares), as the stabilizing agent deems fit. Assume the green shoe period were 30 days, during which time the stabilizing agent purchased 2,500 equity shares. After the stabilization period has ended the stabilizing agent will return the shares purchased in the market to the green shoe lender (2,500 equity shares) and the company will issue fresh shares to the green shoe account to cover the balance equity shares which have to be returned to the green shoe lender (10,000 – 2,500, or 7,500 shares). Therefore, the 10,000 equity shares which were borrowed from the green shoe lender will be duly returned to the green shoe lender.

In this case the total equity shares issued by the company will be 1,07,500 equity shares and the issue size will be Rs. 1,07,50,000.

Market price of equity shares rises above the issue price during the stabilization period:

In such a case the stabilizing agent will not need to stabilize the price and will not purchase any equity shares in the market. At the end of the stabilization period, the company will issue 10,000 fresh equity shares to the green shoe account which will be returned to the green shoe lender.

In this case the total equity shares issued by the company will be 1,10,000 equity shares and the issue size will be Rs. 1,10,00,000.

GENERAL INFORMATION

Our Company was incorporated as Usher Eco power Limited *vide* certificate of incorporation dated July 20, 2007 bearing CIN U40102MH2007PLC172552 under the Companies Act by the RoC.

Registered Office of our Company

212, Laxmi Plaza, Laxmi Industrial Estate
New Link Road, Andheri (West)
Mumbai-400 053

Tel: +91 22 30681174/75/76;

Fax: +91 22 30681173;

Compliance Officer: Ms. Shreya Ramkrishnan

E-mail: investors@usherecopower.com

Website: www.usherecopower.com

Corporate Office of our Company

105, Atlanta Building,
10th Floor,

Nariman Point,

Mumbai- 400 021

Tel: +91 22 30265755/56/57

Fax: +91 22 30265761

Email: investors@usherecopower.com

Address of the RoC

Registrar of Companies

100, Everest Building,

Marine Lines,

Mumbai – 400 002

Board of Directors

Our Board of Directors as on the date of the Draft Red Herring Prospectus are:

Sr. No.	Name	Designation	DIN
PROMOTER DIRECTORS			
1.	Mr. Vinod Kumar Chaturvedi	Managing Director	00325197
2.	Mr. Manoj Chaturvedi	Joint Managing Director	00616061
INDEPENDENT DIRECTORS			
3.	Mr. Vijay Ranchan	Director	01602023
4.	Mr. Srinivasachari Rajagopal	Director	00022609
5.	Mr. Ajay Prakash Arora	Director	01055020
6.	Mr. Guru Prasad Kohli	Director	00230388
7.	Mr. Pandoo Prabhakar Naig	Director	00158221

For further details of our Directors please refer to chapters titled “*Our Management*” on page 71 of the Draft Red Herring Prospectus.

Company Secretary and Compliance Officer

Ms. Shreya Ramkrishnan
212, Laxmi Plaza, Laxmi Industrial Estate
New Link Road, Andheri (West)
Mumbai-400 053
Tel: +91 22 30681174;
Fax: +91 22 30681177;
Email: investors@usherecopower.com

Investors can contact the Compliance Officer and / or the Registrar to the Issue in case of any pre-Issue or post-Issue problems such as non-receipt of letters of Allocation, credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders, etc.

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

Commercial Branch(Advances),
N.G.N. Vaidya Marg,
P.B. No. 10141,
Mumbai- 400 023
Tel: +91 22 2266 2205
Fax: +91 22 2266 6474
E-mail: dgm06070@sbi.co.in

Allahabad Bank

Worli branch,
Manish Commercial Center,
216-A, Dr. Annie Besant Road,
Worli,
Mumbai-400025
Tel: +91 22 24930744
Fax: +91 22 24927798
E-mail: mumworli@allahabadbank.co.in

ISSUE MANAGEMENT TEAM**Book Running Lead Manager****IDBI Capital Market Services Limited**

5th Floor, Mafatlal Centre,
Nariman Point,
Mumbai – 400 021
Tel: +91 22 22-2289 7519/37
Fax: +91 22 2283 8782
E-Mail: ushereco.ipo@idbicapital.com
Website: www.idbicapital.com
Contact person: Mr. Neelabh Dubey

Legal Advisors to the Issue**M/s. Crawford Bayley & Co.****Advocates and Solicitors**

State Bank Buildings, 4th floor,
N. G. N. Vaidya Marg,
Fort, Mumbai – 400 023.
Tel: +91 22 2266 3713
Fax: +91 22 2266 0355
E-mail: sanjay.asher@crawfordbayley.com

Registrar to this Issue**Bigshare Services Private Limited**

E/2, Ansa Industrail Estate,

Saki Vihar Road,

Saki Naka,

Andheri (E),

Mumbai – 400 072.

Tel. No.: +91-22 4043 0200

Fax: +91-22 2847 5207

Email: subhash@bigshareonline.com

Investor Grievance Id: ipousher@bigshareonline.com

Website: www.bigshareonline.com

Contact person: Mr. Subhash Dhingreja

Statutory Auditors**M/s Haribhakti & Co.**

Chartered Accountants

42, Free Press House,

215, Nariman Point,

Mumbai- 400 021

Tel: +91 22 2287 1099

Fax: +91 22 2285 6237

E-Mail : chetandesai@haribhaktigroup.com

Contact person: Mr. Chetan Desai

Bankers to this Issue

[•]

Syndicate Members

[•]

Refund Bank

[•]

Self Certified Syndicate Banks

[•]

Brokers to The Issue

All brokers registered with SEBI and member of the recognized stock exchange(s) can act as brokers to the Issue.

Statement of Inter Se Allocation of Responsibilities

IDBI Capital Market Services Limited has been appointed as the sole BRLM and all activities pertaining to the issue, as described below shall be coordinated by IDBI.

1. Capital Structuring with the relative components and formalities such as type of instruments, etc.
2. Conducting a due diligence of the Company's operations/management/business plans/legal, etc. Drafting and designing the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus. Ensuring compliance with the Guidelines for Disclosure and Investor Protection and other stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI
3. Primary co-ordination with SEBI, RoC and Stock Exchanges up to bidding and coordinating interface with lawyers for agreements

4. Primary co-ordination of drafting/proofing of the design of the Red Herring Prospectus, bid forms including memorandum containing salient features of the Prospectus with the printers. Primary coordination of the drafting and approving the statutory advertisement.
5. Drafting and approving all publicity material other than statutory advertisement as mentioned in (4) above including corporate advertisement, brochure, etc.
6. Appointing the Registrars, Appointing Bankers to the Issue, Appointing other intermediaries viz., printers and advertising agency
7. Marketing of the Issue, which will cover inter alia:
 - Formulating marketing strategies, preparation of publicity budget,
 - Finalising media & public relations strategy,
 - Finalising centers for holding conferences for press and brokers etc,
 - Finalising collection centers,
 - Following-up on distribution of publicity and Issue material including form, prospectus and deciding on the quantum of the Issue material,
 - Preparing all road show presentations,
 - Appointment of brokers to the issue, and
 - Appointment of underwriters and entering into underwriting agreement.
8. Coordinating institutional investor meetings, coordinating pricing decisions and institutional allocation in consultation with the Company
9. Finalising the Prospectus and RoC filing
10. Co-ordinating post bidding activities including management of Escrow accounts, coordinating with registrar and dispatch of refunds to Bidders, etc.
11. Follow-up with the bankers to the issue to get quick estimates of collection and advising the issuer about closure of the issue, based on the correct figures.
12. The Post-Issue activities for the Issue will involve essential follow up steps, which include finalizing basis of allotment / weeding out of multiple applications, the listing of instruments and dispatch of certificates and dematerialized delivery of shares with the various agencies connected with the work such as the Registrars to the Issue and Bankers to the Issue and the bank handling refund business.

The BRLM shall be responsible for ensuring that these agencies fulfil their functions and enable it to discharge this responsibility through suitable agreements with the Company.

13. Stabilization as per the Green Shoe Option

The selection of various agencies like the Bankers to the Issue, Escrow Collection Bank(s), Syndicate Members, Brokers, Advertising agencies etc. will be finalised by the Company in consultation with the BRLM.

Credit Rating

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

IPO Grading

Our Company has appointed Credit Analysis and Research Limited (CARE) as the IPO Grading agency, pursuant to Clause 2.5A, 5.6B and 6.17.3A of the SEBI Guidelines. The grading along with the rationale furnished by the grading agency for its grading will be updated at the time of filing the Red Herring Prospectus with the RoC.

Trustees

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

Monitoring Agency

As the net proceeds of the Issue will be less than Rs. 50,000 Lacs, under the SEBI Guidelines it is not required that a monitoring agency be appointed by our Company.

Project Appraisal

The Project has been appraised by State Bank of India. The details of the Appraising Agency are as under:

State Bank of India

Commercial Branch,
N.G.N. Vaidya Marg,
P.B. No. 10141,
Mumbai- 400 023

Tel: +91 22 2266 2205

Fax: +91 22 2266 6474

E-mail: dgm06070@sbi.co.in

Book Building Process

The Book Building process refers to the collection of Bids from investors, which is based on the Price Band, with the Issue Price being finalised after the Bid / Issue Closing Date. The principal parties involved in the Book Building Process are:

- Our Company;
- Book Running Lead Manager, in this case being IDBI Capital Market Services Limited;
- Syndicate Member(s) who are intermediaries registered with SEBI or registered as brokers with the Stock Exchange(s) and eligible to act as underwriters. Syndicate members are appointed by the BRLM;
- Registrar to the issue, in this case being Bigshare Services Private Limited and
- Banker(s) to the issue, Refund Bank(s).
- Self Certified Syndicate Banks

SEBI, through its guidelines, has permitted the Issue of securities to the public through the 100% Book Building Process, wherein upto 50% of the Net Issue (with a mandatory Allotment of 10% of the Issue) shall be Allocated on a proportionate basis to QIBs, of which 5% shall be reserved for Mutual Funds. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net 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. We will comply with the SEBI Guidelines for the Issue. In this regard, we have appointed the BRLM and Syndicate Member(s) to procure subscriptions to the Issue.

QIBs are not allowed to withdraw their Bid after the Bid/ Issue Closing Date and are required to pay 10% Margin Amount upon submission of their Bid and Allocation to QIBs will be on proportionate basis. For details see the chapter titled “Issue Procedure” on page 151 of the Draft Red Herring Prospectus.

Resident Retail Individual Bidders have the option to submit their Bids under the “ASBA Process”, which would entail blocking of funds in the investor’s bank account rather than transfer of funds to the respective Escrow Accounts. For details, please refer to chapter titled “Issue Procedure” on page 151 of the DRHP.

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 the Issue)

The bidders can bid at any price within the price band. For instance, assume a price band of Rs. 60 to Rs. 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 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 (Rs.)	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., Rs. 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 Rs. 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 Guidelines 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.

Steps to be taken for bidding:

1. Check eligibility for making a Bid paragraph titled “*Who Can Bid*” in chapter titled “Issue Procedure” beginning on page 151 of the Draft Red Herring Prospectus);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid-cum-Application Form.
3. Ensure that you have mentioned your PAN in the Bid-Cum-Application form (including ASBA form), unless exempted from mentioning the PAN. For details of exempted entities please refer paragraph titled “Permanent Account Number (PAN)”, in chapter titled “*Issue Procedure*” on page 151 of the Draft Red Herring Prospectus.
4. Ensure that the Bid-cum-Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid-cum-Application Form.

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 the Issue, without assigning any reason therefore. 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.

Bid/Issue Program

BID/ISSUE OPENS ON	●
BID/ISSUE CLOSES ON	●

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 as mentioned above at the bidding centers mentioned on the Bid-cum-Application Form **except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 1.00 p.m. (Indian Standard Time)** and uploaded till (i) 5.00 p.m. in case of Bids by QIB Bidders and Non- Institutional

Bidders where the Bid Amount is in excess of Rs. 1,00,000 and (ii) till such time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders where the Bid Amount is up to Rs. 1,00,000. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids 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, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, 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 after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid-cum-Application Forms/ ASBA as stated herein and reported by the BRLM to the Stock Exchanges within half an hour of such closure.

Our Company reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Guidelines. 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 advertised at least one day prior to the Bid /Issue Opening Date.

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 Bidding Period/Issue Period not exceeding ten (10) working days. Any revision in the Price Band and the revised Bidding Period/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.

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 Underwriters for the Equity Shares proposed to be issued in the Issue. 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 Members do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions to closing, as specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed prior to filing of the Prospectus with RoC)

Name and Address of the Underwriters	Indicative Number of Equity shares to be Underwritten	Amount Underwritten (Rupees in million)
[•]	[•]	[•]
[•]	[•]	[•]

The abovementioned amount is indicative and this would be finalised after determination of the Issue Price and actual Allocation of the Equity Shares. The above Underwriting Agreement is dated [•].

Our Board of Directors (based on a certificate given by the Underwriters), will ascertain the resources of the above mentioned Underwriters to form the opinion that the same are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers. Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the BRLM and the Syndicate Members shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure / subscribe to the Equity Shares to the extent of the defaulted amount as specified in the Underwriting Agreement.

CAPITAL STRUCTURE

The share capital of our Company as on the date of the Draft Red Herring Prospectus with SEBI is set forth below:
Amount (Rs in lacs.)

Sr. No.	Particulars	Aggregate Value at Nominal Price	Value at Issue Price
A.	Authorised Capital		
	2,50,00,000 Equity Shares	2,500.00	
B.	Issued, Subscribed and Paid-Up Capital before this Issue		
	64,86,300 Equity Shares	648.63	
C.	Present Issue to the public in terms of the Draft Red Herring Prospectus****		
	[●] Equity Shares fully paid up	[●]	5,250.00
	Out of which:		
	Promoters' Contribution***		
	[●] Equity Shares at a price of Rs. [●] are reserved for the Promoters of our Company	[●]	1,650.00
	Net Issue to the Public****		
	[●] Equity Shares at a price of Rs [●] per share of which:	[●]	3,600.00
	• QIB portion of upto [●] Equity Shares of which	[●]	1,800.00
	• 5% Reservation for Mutual Funds of [●] Equity Shares out of the QIB portion	[●]	90.00
	• Non Institutional portion not less than [●] Equity Shares	[●]	540.00
	• Retail portion not less than [●] Equity Shares	[●]	1,260.00
D.	Green Shoe Option*		
	[●] Equity Share of Rs. 10 each.	[●]	787.50
E.	Issued, Subscribed and Paid-Up Capital after this Issue		
	[●] Equity Shares (assuming Green Shoe Option is not exercised)	[●]	
	[●] Equity Shares (assuming Green Shoe Option is exercised to the full).	[●]	
F.	Securities Premium Account**		
	Before this Issue	Nil	
	After this Issue(without the exercise of Green Shoe Option)	[●]	
	After this Issue(Assuming the exercise of Green Shoe Option is in full)	[●]	

* Mr. Vinod Kumar Chaturvedi and Mr. Manoj Chaturvedi, as the Green Shoe Lenders have agreed to lend Equity Shares, which shall not be in excess of 15% of the issue to the Stabilizing Agent, in this case being IDBI Capital Market Services Limited.

** The amount standing in the Securities Premium Account, on a pre-Issue basis, is Nil. The increase in the Securities Premium Account as a result of the Issue will be completed only after the Issue Price is determined.

*** Out of the present Issue, [●] Equity Shares, aggregating to Rs. 1,650 lacs shall be brought in by our Promoters, Mr. Vinod Kumar Chaturvedi, Mr. Manoj Chaturvedi, Usher Agro Limited and Transform Engineering Private Limited as Promoters' Contribution. In terms of Clause 4.9.1 of the SEBI Guidelines, our Promoters would bring in the full amount of the Promoters' Contribution at least one day prior to the Issue Opening Date. This amount shall be kept in an Account with one of the Escrow Collection Banks and shall be released to the Public Issue Account together with the rest of the Issue proceeds.

*** Our company is considering a Pre-IPO Placement with certain investors. The Pre-IPO Placement, if any will be completed before the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue Size and the Net Issue would be reduced to the extent of such Pre-IPO Placement, subject to a minimum of 25% of the post-Issue paid up Equity Share capital of our Company being offered to the public. Further, the Green Shoe Option shall be subject to a maximum of 15% of such revised Issue size.

Notes to Capital Structure:

1. Details of increase in authorised share capital

Date of the Meeting	Particulars of Increase
Upon Incorporation on July 20, 2007	Original authorized capital of Rs. 1,00,00,000 comprising of 10,00,000 Equity Shares
March 25, 2008	Increase in authorized capital from Rs. 1,00,00,000 comprising of 10,00,000 of Rs. 10 each to Rs. 6,00,00,000 comprising of 60,00,000 of Rs. 10 each.
June 27, 2008	Increase in authorized capital from Rs. 6,00,00,000 comprising of 60,00,000 of Rs. 10 each to Rs. 25,00,00,000 comprising of 2,50,00,000 of Rs. 10 each.

2. Share Capital History of our Company in respect of Equity Shares

Our existing equity share capital has been subscribed and allotted as under:

Sr. No	Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of allotment	Cumulative Securities Premium (Rs.)	Cumulative Paid-up Capital (Rs.)
1.	September 14, 2007	50,000	10	10	Cash	Original subscribers to the Memorandum	Nil	5,00,000
2.	December 10, 2007	50,000	10	10	Cash	Further allotment to Usher Agro Limited and Transform Engineering Private Limited	Nil	10,00,000
3.	March 28, 2008	15,70,000	10	10	Cash	Further allotment to Usher Agro Limited, Mr. Manoj Chaturvedi, Transform Engineering Private Limited	Nil	1,67,00,000
4.	September 30, 2008	48,16,300	10	10	Cash	Further allotment to Usher Agro Limited, Mr. Manoj Chaturvedi, Transform Engineering Private Limited, Vedika Finance Private Limited	Nil	6,48,63,000

3. Promoters' Contribution and Lock-in:

Set forth below are the details of the build up of the Promoters' shareholding, Promoters' contribution and lock – in:

Name of the Promoter	Date of Allotment/ Transfer and made fully paid-up	Nature of Transaction	No. of Equity Shares	Face Value (Rs)	Issue/ Transfer Price (Rs.)	% of Pre-Issue Paid-up Capital	% of Post Issue Paid-up Capital (without Green Shoe Option)	% of Post Issue Paid-up Capital (with Green Shoe Option)	Lock-in Period that the Equity Shares are Eligible for
Mr. Vinod Kumar Chaturvedi	September 14, 2007	Subscription to memorandum	24,750	10	10	0.38	[•]	[•]	3 years
	October 22, 2007	Transferred to Usher Agro Limited	(1,2,500)	10	10	(0.19)	-	-	-
	September 30, 2008	Further Allotment for cash	9,01,800	10	10	13.90	[•]	[•]	1 year
	Pursuant to this Issue	Further Allotment for cash	[•]	10	[•]	-	[•]	[•]	3 years
	Total			[•]	10	[•]	14.09	[•]	[•]
Mr. Manoj Chaturvedi	September 14, 2007	Subscription to memorandum	24,750	10	10	0.38	[•]	[•]	3 years
	October 22, 2007	Transferred to Usher Agro Limited	(12,500)	10	10	0.19	-	-	-
	March 28, 2008	Further Allotment for cash	3,92,500	10	10	6.05	[•]	[•]	1 year
	September 30, 2008	Further Allotment for cash	3,07,500	10	10	4.74	[•]	[•]	1 year
	Pursuant to this Issue	Further Allotment for cash	[•]	10	[•]	-	[•]	[•]	3 years
	Total			[•]	10	[•]	10.98	[•]	[•]
Usher Agro Limited	October 22, 2007	Transfer from Mr. Vinod Kumar Chaturvedi	12,500	10	10	0.19	[•]	[•]	3 years
	October 22, 2007	Transfer from Mr. Manoj Chaturvedi	12,500	10	10	0.19	[•]	[•]	3 years
	December 10, 2007	Further Allotment for cash	1,000	10	10	0.02	[•]	[•]	1 year
	March 31, 2008	Further Allotment for cash	4,08,200	10	10	6.29	[•]	[•]	1 year
	September 30, 2008	Further Allotment for cash	8,46,300	10	10	13.05	[•]	[•]	1 year
	Pursuant to this Issue	Further Allotment for cash	[•]	10	[•]	-	[•]	[•]	3 years
	Total			[•]	[•]	[•]	19.74	[•]	[•]

Transform Engineering Private Limited	December 10, 2007	Allotment for cash	49,000	10	10	0.76	[•]	[•]	1 year
	March 28, 2008	Further Allotment for cash	7,69,300	10	10	11.86	[•]	[•]	1 year
	September 30, 2008	Further Allotment for cash	22,30,700	10	10	34.39	[•]	[•]	1 year
	Pursuant to this Issue	Further Allotment for cash	[•]	10	[•]	-	[•]	[•]	3 years
Total			[•]	[•]	[•]	47.01	[•]	[•]	

Note: The number shares to be issued pursuant to the Issue, the Issue Price and the percentage of post-Issue paid up capital shall be filled in at the time of filing Prospectus with RoC.

Details of Promoters' contribution Locked-in for three (3) years

As per clause 4.1.1 of the SEBI Guidelines, an aggregate of 20% of the post-Issue shareholding held by our Promoter shall be locked in for a period of three (3) years. The details of such lock-in are given below:

Sr. No.	Name	Date of Allotment/ Transfer And Date when made fully paid-up	Consideration (Cash, Bonus, Kind, etc.)	No. of Equity Shares	Face Value (Rs.)	Issue Price/ Transfer Price (Rs.)	% of Post Issue Paid-up Capital (without Green Shoe Option)	% of Post Issue Paid-up Capital (with Green Shoe Option)
1.	Mr. Vinod Kumar Chaturvedi	September 14, 2007	Subscription to memorandum	24,750	10	10	[•]	[•]
		Pursuant to this Issue	Allotment for cash	[•]	10	[•]	[•]	[•]
		Total			[•]			[•]
2.	Mr. Manoj Chaturvedi	September 14, 2007	Subscription to memorandum	24,750	10	10	[•]	[•]
		Pursuant to this Issue	Allotment for cash	[•]	10	[•]	[•]	[•]
		Total			[•]			[•]
3.	Usher Agro Limited	October 22, 2007	Transfer	12,500	10	10	[•]	[•]
		October 22, 2007	Transfer	12,500	10	10	[•]	[•]
		Pursuant to this Issue	Allotment for cash	[•]	10	[•]		
		Total						[•]
4.	Transform Engineering Private Limited	Pursuant to this Issue	Allotment for cash	[•]	10	[•]	[•]	[•]
		Total			[•]			[•]
Total				[•]			[•]	[•]

Note: The number shares to be issued pursuant to the Issue and to be locked-in, the Issue Price and the percentage of post-Issue paid up capital to be locked-in shall be filled in at the time of filing Prospectus with RoC. At least 20% of the post-Issue paid-up equity share capital, as determined after the Book-Building Process from the above

mentioned Promoters i.e., Mr. Vinod Kumar Chaturvedi, Mr. Manoj Chaturvedi, Usher Agro Limited and Transform Engineering Private Limited, would be locked-in for a period of three years from the date of allotment in the present Issue and the balance pre-Issue paid-up equity share capital of the Promoters would be locked-in for a period of one year from the date of Allotment in the present Issue. If the Green Shoe Option is not exercised, [●] Equity Shares will be locked-in for a period of three year from the date of allotment of the Equity Shares in this Issue. If the Green Shoe Option is exercised in full, [●] Equity Shares will be locked-in for a period of three years from the date of allotment of the Equity Shares in this Issue or commencement of commercial production, whichever is later. If the Green Shoe Option is not exercised, [●] Equity Shares will be locked-in for a period of one year from the date of allotment of the Equity Shares in this Issue. If the Green Shoe Option is exercised in full, [●] Equity Shares will be locked-in for a period of one year from the date of allotment of the Equity Shares in this Issue.

The Promoters have given their written consent for inclusion of their Equity Shares as a part of Promoters' Contribution which is subject to lock-in for a period of 3 years from the date of allotment of Equity Shares in the proposed Issue.

The pre-Issue paid-up Equity Share capital, other than locked-in as minimum Promoters' contribution, would be locked-in for a period of one year from the date of Allotment in the present Issue.

In the event the Green Shoe Option is exercised, the Equity Shares held by the Green Shoe Lenders, which are lent to the Stabilizing Agent shall be exempt from the one year lock-in, for the period between the date when the Equity Shares are lent to the Stabilizing Agent to the date when they are returned to the Green Shoe Lenders in accordance with Clause 8A.13 or 8A.15 of the SEBI Guidelines, as the case may be. If the Equity Shares are returned to the Green Shoe Lenders in accordance with Clause 8A.13 or 8A.15 of the SEBI Guidelines, such Equity Shares shall be subject to a lock in of one year as provided in accordance with Clause 8A.16 of SEBI Guidelines.

All Equity Shares being included for computation of Promoters' Contribution and three year lock-in are not ineligible for such purposes under Clause 4.6 of the SEBI Guideliens. We confirm that the minimum Promoters' Contribution of 20% which is subject to lock-in for three years does not consist of:

- Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the minimum Promoters' Contribution subject to lock-in.
- Equity Shares acquired during the preceding three years, which have (i) acquired for consideration other than cash and revaluation of assets or capitalisation of intangible assets is involved in such transaction(s); or (ii) resulting from a bonus issue, out of revaluation reserves or reserves created without accrual of cash resources (or against shares which are otherwise ineligible for computation of promoters' contribution).
- The Equity Shares issued to Promoter's during the preceding one year at a price lower than the Issue Price.
- Any private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.

The lock-in shall start from the date of allotment in the Public Issue and the last date of the lock-in shall be reckoned as three years from the date of commencement of commercial production of bio-mass power plant or the date of allotment in the public issue, whichever is later.

The Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as promoters under the SEBI Guidelines.

Shares held by our Promoters which are locked in as per the relevant provisions of Chapter IV of the SEBI Guidelines, may be transferred to and amongst Promoters/Promoters Group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of SEBI Takeover Regulations as applicable.

Further, the Equity Shares held by persons other than Promoters prior to this Issue, which are subject to one year lock in as per provisions of chapter IV of SEBI Guidelines 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 Takeover Regulations as applicable.

4. Shareholding Pattern of our Company

Name of Shareholder	Pre-Issue		Post-Issue *			
	Number of shares	Percentage Holding (%)	Number of shares (if Green Shoe Option is not exercised)	Percentage Holding (%)	Number of Shares (assuming Green Shoe Option is exercised to the full)	Percentage Holding (%)
PROMOTER						
Mr. Vinod Kumar Chaturvedi	9,14,050	14.10	[●]	[●]	[●]	[●]
Mr. Manoj Chaturvedi	7,12,250	10.98	[●]	[●]	[●]	[●]
Usher Agro Limited	12,80,500	19.74	[●]	[●]	[●]	[●]
Transform Engineering Private Limited	30,49,000	47.00				
Total Holding of Promoters	59,55,800	91.82	[●]	[●]	[●]	[●]
PROMOTER GROUP						
Vedika Finance Private Limited	5,30,000	8.17	[●]	[●]	[●]	[●]
Mrs. Samata Chaturvedi	100	0.00				
Total holding of Promoters and Promoter Group	64,85,900					
OTHERS			[●]	[●]	[●]	[●]
Mr. Ajay Prakash Arora	100	0.00	[●]	[●]	[●]	[●]
Mrs. Sangeeta Kumbhar	100	0.00				
Mr. Rajesh Malpani	100	0.00				
Mr. Shambhu Singh	100	0.00				
Total	400	0.00				
PUBLIC IN THE ISSUE	-	-	[●]	[●]	[●]	[●]
TOTAL	64,86,300	100	[●]	[●]	[●]	[●]

* The above mentioned shareholding pattern have been calculated on the assumption of full subscription.

5. In terms of Clause 4.15.1 of the SEBI Guidelines, the Equity Shares held by our Promoter can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided that the pledge of shares is one of the terms of sanction of such loan. Further, the Equity Shares which have been locked-in for a period of three years as minimum Promoters' contribution can be pledged with banks or financial institutions only if, in addition to fulfilling the aforesaid requirements, the loan (for which the Equity Shares are pledged) is towards financing one or more objects of this Issue. However, as on date of the Draft Red Herring Prospectus, none of the Equity Shares held by our Promoter have been pledged to any person, including banks and financial institutions.

6. a) **Our top ten shareholders and the shares held by them as on the date of the Draft Red Herring Prospectus with SEBI are as follows:**

Sr. No.	Name of the shareholder	No. of Equity Shares	% of pre- Issue Shareholding
1.	Transform Engineering Private Limited	30,49,000	47.01
2.	Usher Agro Limited	12,80,500	19.74

Sr. No.	Name of the shareholder	No. of Equity Shares	% of pre- Issue Shareholding
3.	Mr. Vinod Chaturvedi	9,14,050	14.09
4.	Mr. Manoj Chaturvedi	7,12,250	10.98
5.	Vedika Finance Private Limited	5,30,000	8.17
6.	Mr. Ajay Prakash Arora	100	Negligible
7.	Mrs. Sangeeta Kumbhar	100	Negligible
8.	Mrs. Samata Chaturvedi	100	Negligible
9.	Mr. Rajesh Malpani	100	Negligible
10.	Mr. Shambhu Singh	100	Negligible
	Total	64,86,300	100.00

b) Our top ten shareholders and the shares held by them ten days prior to the date the Draft Red Herring Prospectus with SEBI are as follows:

Sr. No.	Name of the shareholder	No. of Equity Shares	% of pre- Issue Shareholding
1.	Transform Engineering Private Limited	30,49,000	47.01
2.	Usher Agro Limited	12,80,500	19.74
3.	Mr. Vinod Chaturvedi	9,14,050	14.09
4.	Mr. Manoj Chaturvedi	7,12,250	10.98
5.	Vedika Finance Private Limited	5,30,000	8.17
6.	Mr. Ajay Prakash Arora	100	Negligible
7.	Mrs. Sangeeta Kumbhar	100	Negligible
8.	Mrs. Samata Chaturvedi	100	Negligible
9.	Mr. Rajesh Malpani	100	Negligible
10.	Mr. Shambhu Singh	100	Negligible
	Total	64,86,300	100.00

c) Our top ten shareholders and the shares held by them at incorporation of the Company are as follows*:

Sr. No.	Name of the shareholder	No. of Equity Shares	% of total shareholding
1.	Mr. Vinod kumar Chaturvedi	24,750	49.50
2.	Mr. Manoj Chaturvedi	24,750	49.50
3.	Mr. Ajay Arora	100	Negligible
4.	Mrs. Sangeetha Kumbhar	100	Negligible
5.	Mr. Shambhu Singh	100	Negligible
6.	Mrs. Samata Chaturvedi	100	Negligible
7.	Mr. Rajesh Malpani	100	Negligible
	TOTAL	50,000	100

*Our Company has been incorporated on July 20, 2007, which is less than two years prior to the date of the Draft Red Herring Prospectus, and had seven members then

7. We have issued Equity Shares in the last twelve months, as per the details given hereinbelow:

Date of Allotment	No. of Equity Shares	Face Value	Issue Price	Allottees
September 30, 2008	48,16,300	10	10	1. Usher Agro Ltd. 2. Transform Engineering Private Limited 3. Mr. Manoj Chaturvedi 4. Mr. Vinod Kumar Chaturvedi 5. Vedika Finance Private Limited.
March 28, 2008	15,70,000	10	10	1. Usher Agro Ltd. 2. Transform Engineering Private Limited

				3. Mr. Manoj Chaturvedi
December 10, 2007	50,000	10	10	1. Usher Agro Limited. 2. Transform Engineering Private Limited

3. Our Promoters, Directors or Promoters Group Companies and their respective Board of Directors have not purchased and/or sold/financed any Equity Share of our Company in the past 6 months except as stated in the Draft Red Herring Prospectus.
4. None of our Directors or key managerial personnel, hold any Equity Shares in our Company except as stated in the Draft Red Herring Prospectus.
5. Our Company is considering a Pre-IPO Placement with certain investors. The Pre-IPO Placement, if any will be completed before the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue Size and the Net Issue would be reduced to the extent of such Pre-IPO Placement, subject to a minimum of 25% of the post-Issue paid up Equity Share capital of our Company being offered to the public. Further, the Green Shoe Option shall be subject to a maximum of 15% of such revised Issue size.
6. Our Company, Promoters, Directors, or Promoters Group Companies and their respective Board of Directors and the BRLM to this Issue have not entered into any buy-back, standby or similar arrangements for purchase of Equity Shares of our Company being offered through the Issue from any person.
7. An over-subscription to the extent of 10% of Net Issue to the Public can be retained for the purpose of rounding off to the nearer multiple of 1, while finalizing the Basis of Allotment. 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 Equity Shares held by our Promoters and subject to lock- in shall be suitably increased, so as to ensure that 20% of the post Issue paid-up capital is locked in.
8. In the case of over-subscription in all categories, upto 50% (subject to the mandatory 10% Allotment) of the Net Issue to the Public shall be Allocated on a proportionate basis to Qualified Institutional Buyers, of which 5% shall be reserved for Mutual Funds only. Further, not less than 15% of the Net Issue to the Public shall be available for Allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Issue to the Public shall be available for Allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above this Issue Price.
9. Under subscription, if any, in any category (subject to mandatory minimum of 10% being allotted to QIBs) shall be allowed to be met with spillover from the other categories, at the sole discretion of our Company and the BRLM. Allocation in all the aforesaid categories shall be on a proportionate basis. If at least 10% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith.
10. As on date of the Draft Red Herring Prospectus with SEBI, the entire issued share capital of our Company is fully paid-up.
11. Our Company undertakes that at any given point of time, there shall be only one denomination for the Equity Shares of our Company and our Company shall comply with such disclosure and accounting norms as specified by SEBI from time to time.
12. We presently do not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Issue, by way of split/ consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise, except that if we enter into acquisitions or joint ventures, we may consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures.
13. Our Company has not revalued its assets since inception.

14. Our Company has not capitalized its reserves since inception.
15. Our Company has not issued any Equity Share out of revaluation reserves or for consideration other than cash.
16. A Bidder cannot make a Bid for more than the number of Equity Shares offered through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
17. Our Company has not made any public issue since its incorporation.
18. Our Company has not raised any bridge loan against the proceeds of this Issue.
19. As on the date of the Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
20. Except the Pre-IPO Placement, 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 the date of filing the Draft Red Herring Prospectus with SEBI until the Equity Shares issued/ proposed to be issued pursuant to this Issue have been listed.
21. In respect of various agreements entered into by our Company with the lenders and sanction letters issued by our lenders to us, we are bound by certain restrictive covenants.

Pursuant to the aforesaid covenants, we have obtained the prior written approvals from the Lender as follows:

S.No.	Name of the Bank	Letter dated
1.	State Bank of India	October 13, 2008

22. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed Issue. As and when options are granted to our employees under any ESOP scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999.
23. We presently do not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Issue, by way of split/ consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise, except that if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.
24. Since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up shares.
25. The securities, 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 BSE and NSE, where the Equity Shares are to be listed, before the listing of the securities.
26. The Equity Shares forming part of Promoters’ Contribution do not consist of any private placement made by solicitation of subscription from unrelated persons, either directly or through any intermediary except as stated in the Draft Red Herring Prospectus.
27. The average cost of acquisition of Equity shares for our Promoters is as under.

Sr. No.	Promoter	Cost of Acquisition of Equity Shares (Rs.)
1.	Mr. Vinod kumar Chaturvedi	10.00
2.	Mr. Manoj Chaturvedi	10.00

3.	Usher Agro Limited	10.00
4.	Transform Engineering Private Limited	10.00

28. Since the entire money in respect of the issue is being called on application, all the successful applicants will be issued fully paid-up shares.
29. As per the extant policy, OCBs are not permitted to participate in the Issue. Sub-accounts of FII's who are foreign corporates or foreign individuals are not QIBs, and hence cannot Bid in the QIB Portion in the Issue.
30. 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.
31. The total number of members of our Company as on the date of filing the Draft Red Herring Prospectus is 10.
32. As per Chapter VIIIA of the SEBI Guidelines, we have decided to avail of the Green Shoe Option for stabilizing the post – listing price of the Equity Shares. We have appointed IDBI Capital Market Services Limited as the Stabilizing Agent. The Greenshoe Option consists of option to over allot up to [●] Equity Shares at a price of Rs. [●] per share aggregating Rs. 787.50 lacs representing 15% of the Issue, exercisable during the period commencing from the date of obtaining trading permission from the Stock Exchanges for the Equity Shares in the Issue, and ending 30 days thereafter unless terminated earlier by the Stabilizing Agent.

If the Pre-Ipo Placement is completed the Issue Size and the Net Issue would be reduced to the extent of such Pre-IPO Placement, subject to a minimum of 25% of the post-issue paid up Equity Share capital of our Company. The Green Shoe Option shall be subject to the maximum of 15% of such revised Issue size.

The terms of the Green Shoe Option are as follows:

Maximum number of Equity Shares	[●] Equity Shares
The maximum increase in our Equity Share capital if we are required to utilise the full over-allotment in the Issue	[●] Equity Shares
Green Shoe Option Portion	Upto 15% of the Issue
Maximum number of Equity Shares that may be borrowed	[●] Equity Shares
Pre-Issue holding of the Green Shoe Lenders	1,20,900 Equity Shares representing 18.64% of the pre-Issue paid up share capital of our Company
Stabilization Period	The period commencing from the date of obtaining trading permission from the BSE and the NSE for the Equity Shares under the Issue, and ending 30 days thereafter unless terminated earlier by the Stabilizing Agent.
Rights and obligations of the Stabilizing Agent	<ul style="list-style-type: none"> • Open a special bank account under the name “Special Account for GSO proceeds of Usher Eco Power Limited” or GSO Bank Account and deposit the money received against the over-allotment in the GSO Bank Account. • Open a special account for securities under the name “Special Account for GSO shares of Usher Eco Power Limited” or GSO Demat Account and credit the Equity Shares purchased by the Stabilizing Agent, if any, during the Stabilization Period to the GSO Demat account. • As per SEBI Guidelines, stabilise the market price of the Equity Shares only in the event the market price falls below the Issue Price, including determining the price and timing of purchases of

	<p>the Equity Shares.</p> <ul style="list-style-type: none"> • To submit daily reports to the Stock Exchanges during the Stabilization Period and a final report to SEBI. • On expiry of the Stabilization Period, to return Equity Shares lying to the credit of the GSO Demat Account to the Green Shoe Lenders. • On expiry of the Stabilization Period, to request our Company to issue fresh Equity Shares (equal to the difference between the Equity Shares lying to the credit of the GSO Demat Account and the Over Allotment Shares) and to transfer funds from the GSO Bank Account to us for such fresh issue of Equity Shares, within a period of three working days of the close of the Stabilization Period. • To maintain a register of its activities and retain such register for three years. Net gains on account of market purchases in the GSO Bank Account to be transferred net of all expenses and net of taxes, if any, equally to the Investor Protection Fund.
Rights and Obligations of our Company	<ul style="list-style-type: none"> • On expiry of the Stabilization Period, issue Equity Shares to the extent of the Over Allotment Shares that have not been purchased from the market by the Stabilizing Agent. • If no Equity Shares are purchased, then to issue the Equity Shares to the entire extent of the Over Allotment Shares.
Rights and obligations of the Green Shoe Lenders	<ul style="list-style-type: none"> • The Green Shoe Lenders undertakes to execute and deliver all necessary documents and give all necessary instructions to procure that all the rights, title and interest in the Loaned Shares shall pass to the Stabilizing Agent/GSO Demat Account free from all liens, charges and encumbrances. • Upon instructions from the Stabilizing Agent, on or prior to the Pricing Date, transfer the Loaned Shares to the GSO Demat account.

OBJECTS OF THE ISSUE

The objects of the Issue are:

- To set up a 16 MW biomass co generation power plant
- To meet the margin money for working capital requirements
- To meet the issue expenses
- To list the equity shares of our company on BSE and NSE

The main objects of our Memorandum of Association permit us to undertake our existing activities and the activities for which the funds are being raised by us, through the present Issue. Further we confirm that the activities we have been carrying out until now is in accordance with the objects clause of our Memorandum of Association.

The total cost of the project as appraised by State Bank of India is as follows:

Requirement of Funds

Rs. In lacs

Particulars	Amount
Land and site development	220.00
Civil works	791.00
Indigenous Plant and Machinery	6026.00
Miscellaneous Fixed Assets	205.00
Pre Operative Expenses	318.00
Contingencies	140.00
Working Capital Margin	185.00
Issue Expenses	301.00
Total	8186.00

Means of finance

The fund requirements hereinabove shall be met in the following manner:

Rs. In lacs

Particulars	Amount
Gross proceeds of the Issue	3600.00
Term Loan from Bank	2500.00
Promoters' contribution *	2086.00
Total	8186.00

* Out of this Rs. 1650.00 lacs will be brought in as promoters contribution in this Issue.

The shortfall in Net Proceeds if any, shall be met through borrowings and / or further issue of capital. Excess funds (including the proceeds of Green Shoe option) if any, will be deployed for general corporate purposes or any other purposes as approved by our board of directors.

The Company has made firm arrangements (as envisaged by clause 2.8 of the SEBI DIP Guidelines) for financing at least 75% of the stated means of finance excluding the amount proposed to be raised through the Issue.

Appraisal

The projects for which we intend to use our issue proceeds as mentioned in the Objects of the Issue have been appraised by State Bank of India (SBI), *vide* their appraisal note dated March 24, 2008. State Bank of India has sanctioned Term Loan of Rs. 2500 lacs for the proposed project. Further, State Bank of India *vide* its letter dated March 24, 2008 has given its No Objection to incorporate the required details in this Draft Red Herring Prospectus from the assessment note prepared for the project.

Scope and Purpose of Appraisal

State Bank of India, commercial branch, has appraised our project envisaging setting up of a 16 MW rice husk based power plant. The appraisal has been carried out for the purpose of sanctioning term loan.

Details of Objects

Land and site development

We have acquired land of area 4.16 hectares situated at Chhata, Mathura. Development expenses include storm drains and internal roads for the plant areas.

Civil Works

The main civil works for the biomass power plant and their estimated costs are indicated in the following table:

Particulars	Amount (Rs. in lacs)		Total Amount (Rs. in lacs)
	6 MW	10 MW	16 MW
Power house building & TG foundation	45.00	75.00	120.00
Foundation for boiler, other auxiliary Equipment & misc. civil work in boiler area	65.00	75.00	140.00
Steel / RCC Chimney	65.00	75.00	140.00
Transformers & Switchyard	10.00	15.00	25.00
Borewells, water pre-treatment, cooling tower, civil works	115.00	145.00	260.00
Ash silo	5.00	10.00	15.00
Pipes & cable ducts, civil & structural works	20.00	30.00	50.00
Fuel handling, civil works	10.00	15.00	25.00
Architects fees	7.00	9.00	16.00
Total	342.00	449.00	791.00

Indigenous Plant and Machinery

The estimated cost of plant and equipment for the biomass power plant is Rs. 6,026 lacs. The plant will have 2 sets of turbine generators, of 6MW and 10MW capacity. Majority of the equipment and systems required will be sourced indigenously. The main items of equipment for the biomass power plant and their estimated erected costs are as follows:

Description of Equipment	Estimated Amount (Rs. in lacs)		Total Estimated Amount (Rs. in lacs)
	6 MW	10 MW	16 MW
Biomass Boiler & auxiliaries (30 & 40 TPH, 67 kg/cm ² , 495 ^o C)	812	1392	2204
Extraction cum condensing, 6 MW & 10 MW, 11 kV STG	754	1102	1856
Piping interconnections, valves, fittings, etc	35	58	93
132 kV, SC overhead HV tie line up to DVVNL S/S	116	290	406
Electrical evacuation, Tie line cost & DVVNL supervision Charges	174	290	464
SW, RO & DM plant, misc. tanks & circulation pumps	116	174	290
Fuel conveyor system for feeding fuel & Ash conveying system	116	174	290
Instrumentation & DCS Control	87	116	203
Cooling tower and pumps, etc.	104	116	220
Total	2314	3712	6026

Miscellaneous Fixed Assets

The miscellaneous fixed assets for the biomass project have been estimated at Rs. 205 lacs. The main miscellaneous fixed assets are indicated in the following table:

Particulars	Estimated Amount (Rs. in lacs)		Total Estimated Amount (Rs. in lacs)
	6 MW	10 MW	16 MW
Spares	20	30	50
Chemical lab equipment	10	15	25
Workshop, stores & testing facilities	10	15	25
Fire fighting	5	8	13
Air conditioning & ventilation	2	5	7
Material handling equipment &	10	15	25

vehicles			
EOT Crane & various hoists	15	20	35
Paint & insulation	10	15	25
Total	82	123	205

Preoperative expenses

Preoperative expenses have been estimated as under:

Particulars	Amount (Rs. in lacs)
Pre-Operative expenses:	
Preparation of DPR & project appraisal	15.00
Legal fees and other project sanction application fees	15.00
Travelling Expenses	10.00
Start up Expenses	20.00
Project Management Expenses	60.00
Project Insurance (@ 0.5% on project cost)	40.00
Interest charges during construction	158.00
Sub-Total	318.00

Contingencies

The contingencies have been provided at 2% of the non-firm items of civil structures and 2% of plant and machinery and other interface equipment and assets. The amount works out to Rs. 140 lacs.

Issue Expenses

The total expenses of this Issue are estimated to be approximately Rs. 301 lacs. The Issue related expenses include, among others, issue management fees, brokerage and printing and distribution expenses, legal fees, advertisement expenses, registrar and depository fees and listing fees.

Particulars	Amount (Rs. in lacs)
Lead Management, Marketing and Selling Commissions	[•]
IPO Grading Expenses	[•]
Advertisement and Marketing Expenses	[•]
Printing and Stationery, Distribution, Postage, etc.	[•]
Others (Registrar fees, legal fees etc.)	[•]
Total	301.00

Margin money for working capital

We have assessed our working capital requirement for the financial year 2009-10 to be Rs. 741 lacs. The margin money at 25% works out to Rs.185 lacs. The balance 75% of the working capital will be availed from bank. The details of funding our working capital requirement are as follows:

Rs. in lacs		
Particulars	No. of Days	2008-2009 (Estimated)
(A) Current Assets		
Raw materials, stock in process, finished goods	60	288.50
Receivable	45	445.00
Other current asset	30	7.50
Total Current Asset		741.00
(B) Current Liabilities		
Sundry Creditor and other current liabilities	-	Nil
(C) Working Capital Gap (A-B)		741.00
Projected Bank Borrowing		556.00
Net working capital margin to be funded through IPO proceeds		185.00

Schedule of Implementation

The proposed implementation schedule for the project is as under:

Particulars	Commencement	Completion
Acquisition of Land	Nov 2007	Feb 2008
Development of Land	Jan 2008	Feb 2008
Civil Work	March 2008	Feb 2009
Plant & Machinery Placement Of Order Delivery at Site	Jan 2008 Sept 2008	Nov 2008 Jan 2009
Erection of Equipment	Sept 2008	Feb 2009
Commissioning & Testing	Jan 2009	Feb 2009
Procurement of Personnel		March 2009
Training of Personnel		March 2009
Commercial Production		April 2009

Funds Deployed

We have incurred the following expenditure on the project till September 30, 2008. The same has been certified by our statutory auditors Haribhakti & Co., Chartered Accountants vide their certificate dated October 10, 2008.

Particulars	Amount (Rs. in lacs)
Land and site development expenses	374.90

Computers	2.70
Capital Work in Progress	9.73
Capital Advance	47.77
Pre Operative Expenses	94.37
Total	529.47

Sources of Funds Deployed

Particulars	Amount (Rs. in lacs)
Share Capital	482.20
Sundry Creditors for Projects	47.27
Total	529.47

Interim Use of Funds

Pending any use as described above, the proceeds of the issue shall be invested in high quality, interest / dividend bearing short term / long term liquid instruments including money market mutual fund, deposits with banks for the necessary duration and other investment grade interest bearing securities or any other purpose as may be approved by our Board.

BASIS OF ISSUE PRICE

The Issue Price has been determined in consultation with the Lead Manager to the Issue considering following qualitative and quantitative factors. Investors should also refer to the section titled “*Risk Factors*” and “*Financial Statements*” beginning on page xiii and 99 respectively to get a more informed review before making the investment division.

Qualitative factors

1. Adequate availability and supply of raw material
2. Location advantage to the power project
3. Use of efficient technology for increased efficiency

For more details, please refer to the chapter titled “*Business Overview*” beginning on page 57 and section titled “*Risk Factors*” beginning on page xiii of the Draft Red Herring Prospectus

Quantitative factors

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

1. *Weighted average earnings per share (EPS)*

Financial period	EPS (Rs.)	Weight
Financial year 2006	NA	NA
Financial year 2007	NA	NA
Financial year 2008	(1.33) *	1
Weighted average	(1.33)	

* The company has not commenced any commercial activities; hence, there are no earnings as a result EPS is reflected in negative.

2. *Price/earning (P/E) ratio*

- a. The company has not commenced any commercial activities; hence, there are no earnings as a result P/E cannot be computed.
- b. P/E based on EPS, for the year ended March 31, 2008 is NA.
- c. Industry P/E*:
 - i. Highest: 174.54
 - ii. Lowest: 16.63
 - iii. Average: 25.97

(*Source: Capital Market – Vol. XXIII/12 August 11 – August 24, 2008, Segment –Power Generation)

3. Weighted average return on net worth*

	Return on average net worth (%)	Weight
Financial year 2006	NA	NA
Financial year 2007	NA	NA
Financial year 2008	(0.91) % *	1
Weighted average	(0.91) %	

* The company has not commenced any commercial activities; hence, there are no earnings as a result return on networth is reflected in negative.

4. Minimum return on increased net worth required to maintain pre-Issue EPS

The minimum return on increased net worth required to maintain pre-Issue EPS as on March 31, 2008 – [•]

5. NAV per Equity Share

NAV per Equity Share represents shareholders' equity less miscellaneous expenses as divided by weighted average number of Equity Shares. The NAV per Equity Share at September 30, 2008 is Rs. 9.89.

NAV per Equity Share after the Issue

The NAV per Equity Share after the Issue is Rs. [•].

The Issue Price per Equity Share is Rs. [•] / -.

6. Comparison of accounting ratios as of June 30, 2008

Company	EPS ⁽¹⁾ (Rs.)	P/E ⁽²⁾	Return on average net worth (%) ⁽³⁾	Book value per share (Rs.) ⁽⁴⁾
Usher Eco Power Limited *	(1.33)	NA	(0.91)%	9.89
Torrent Power	5	19.40	7.55	61.20
Reliance Infrastructure	47.20	16.63	11.48	433.80
Tata Power Company	26.90	39.14	8.12	338.10
Indowind Energy	2.20	174.54	11.62	30.50

(*Source: Capital Market – Vol. XXIII/12 August 11 – August 24, 2008, Segment –Power Generation)

(1) For trailing twelve months ended June 30, 2008

(2) Based on market price as on June 30, 2008

(3) For the period ended March 31, 2008

(4) For trailing twelve months ended June 30, 2008

* EPS and Return on average network as on March 31, 2008 and Book value per share as on September 30, 2008.

The Face Value of the shares is Rs. 10 /- per share and the Issue Price of Rs. [•] is [•] times the face value of Equity Shares.

The issue price of Rs. [•] per equity share has been determined by us in consultation with the lead manager to the issue on the basis of assessment of market demand for the offered securities by way of book building process and is reasonable and justified as above.

STATEMENT OF TAX BENEFIT

To

The Board of Directors
Usher Eco Power Limited
212, Laxmi Plaza, Laxmi Industrial Estate
New Link road, Andheri (west),
Mumbai - 400053
India

Statement of Tax Benefits

We hereby report that the enclosed annexure states the tax benefits available to Usher Eco Power Limited (herein after referred as "Company") and its shareholders under the tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependant upon fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the 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, each investor is advised to consult their 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) the Company or its shareholders will continue to obtain these benefits in future; or
- (ii) the conditions prescribed for availing the benefits have been / or would be met with.

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

For Haribhakti & Co.
Chartered Accountants,

(Anish B. Mehta)
Partner
Membership No.: 108823

Place: Mumbai
Date: August 19, 2008

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO USHER ECO POWER LIMITED AND TO ITS SHAREHOLDERS

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

I. Benefits available to the Company

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

In accordance with and subject to the conditions specified in Section 32(1)(iia) of the Act, the company is entitled to an additional depreciation allowance of 20% of the cost of new machines acquired and put to use during a year.

Since the company proposes to be engaged in the business of generation of power, by virtue of clause (i) of sub-section (1) of section 32 of the Act, 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.

Unabsorbed depreciation if any, for an Assessment Year can be carried forward & set off against any source of income in subsequent Assessment Years as per section 32 subject to the provisions of sub-section (2) of section 72 and sub-section (3) of section 73 of the Act.

2. The Company proposes to be engaged in generation of power and therefore it is eligible for deduction of profits and gains from the business of generation of power, under section 80-IA (iv) of Act, for a period of 10 consecutive 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 (iv) shall be available only in respect of an undertaking which starts generating power on or before 31st March 2010.
3. In terms of Section 80JJA, where the gross total income of an assessee includes any profits and gains derived from the business of collecting and processing or treating of bio-degradable waste for generating power or producing bio-fertilizers, biopesticides or other biological agents or for producing bio-gas or making pellets or briquettes for fuel or organic manure, there shall be allowed, in computing the total income of the assessee, a deduction of an amount equal to the whole of such profits and gains for a period of five consecutive assessment years beginning with the assessment year relevant to the previous year in which such business commences.

It may be noted that deduction with respect to same business profits cannot be claimed simultaneously u/s. 80-IA as well as u/s. 80JJA.

4. As per section 10(34) of the Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003 by domestic companies) received on the shares of the company is exempt from tax.
5. As per section 10(35) of the Act, the following income shall be exempt in the hands of the Company:
 - ⇒ Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or
 - ⇒ Income received in respect of units from the Administrator of the specified undertaking; or
 - ⇒ Income received in respect of units from the specified company

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

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

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

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

- (i) Where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and
- (ii) Which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act.

As per section 115JB of the Act, while calculating “book profits” the Company will not be able to reduce the long term capital gains to which the provisions of section 10(38) of the Act apply and will be required to pay Minimum Alternate Tax @ 10% (plus applicable surcharge and education cess) of the book profits.

7. The company will be entitled to amortise preliminary expenditure, being expenditure incurred on public issue of shares, under section 35D(2)(c)(iv) of the Act, subject to the limit specified in section 35D(3).
8. As per section 72 of the Act, business losses if any, for any Assessment Year can be carried forward and set off against business profits for eight subsequent Assessment Years.
9. As per section 115JB of the Act, where tax payable by the company is less than 10% of book profit, Minimum Alternative Tax @ 10%(plus applicable surcharge and education cess) of book profits is payable.

Under section 115JAA(1A) of the Act, credit is allowed in respect of any Minimum Alternate Tax (‘MAT’) paid under section 115JB of the Act for any assessment year commencing on or after April 1, 2006. Tax credit eligible to be carried forward will be the difference between MAT paid and the tax computed as per the normal provisions of the Act for that assessment year. Such MAT credit is allowed to be carried forward for set off purposes for up to 7 years succeeding the year in which the MAT credit is allowable.

10. As per section 112 of the Act, taxable long-term capital gains, if any, on sale of listed securities or units or zero coupon bonds (in cases not covered under section 10(38) of the Act) would be charged to tax at the rate of 20% (plus applicable surcharge and education cess) after considering indexation benefits in accordance with and subject to the provisions of section 48 of the Act or at 10% (plus applicable surcharge and education cess) without indexation benefits, at the option of the Company. Under section 48 of the Act, the long term capital gains arising out of sale of capital assets excluding bonds and debentures (except Capital Indexed Bonds issued by the Government) will be computed after indexing the cost of acquisition/improvement.
11. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

However, the investment in long term specified asset made after April 1, 2007 should not exceed fifty lakh rupees.

A “long-term specified asset” for making any investment under this section on or after the 1st day of April, 2007 means any bond, redeemable after three years and issued on or after the 1st day of April, 2007 by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988 (68 of 1988) or by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 (1 of 1956).

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

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

1. Under Section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under Section 64(1A) of the IT Act will be exempt from tax to the extent of Rs. 1,500 per minor child.
2. As per section 10(34) of the Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003) received on the shares of the Company is exempt from tax in the hands of the shareholders.
3. Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index as prescribed from time to time.
4. As per section 10(38) of the Act, long-term capital gains arising to the shareholder from the transfer of a long-term capital asset being an equity share in the Company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the shareholder.
5. As per section 112 of the Act, if the shares of the Company are listed on a recognised stock exchange, taxable long term capital gains, if any, on sale of the shares of the Company (in cases not covered under section 10(38) of the Act) would be charged to tax at the rate of 20% (plus applicable surcharge and education cess) after considering indexation benefits or at 10% (plus applicable surcharge and education cess) without indexation benefits, whichever is less.
6. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately. In such a case, the cost of such long term specified asset will not qualify for deduction under section 80C of the act. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money. However, the investment in long term specified asset made after April 1, 2007 should not exceed fifty lakh rupees.

A “long-term specified asset” for making any investment under this section on or after the 1st day of April, 2007 means any bond, redeemable after three years and issued on or after the 1st day of April, 2007 by the

National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988 (68 of 1988) or by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 (1 of 1956).

7. As per section 54F of the Act, in the case of an individual or a Hindu Undivided Family ('HUF'), gains arising on transfer of a long-term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in the residential house. If only a part of such net consideration is invested within the prescribed period in a residential house, the exemption shall be allowed proportionately. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer. 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, will be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.
8. As per Section 74 of the Act, Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.
9. As per section 111A of the Act, short-term capital gains arising to the shareholder from the sale of equity shares of the Company or a unit of equity oriented fund transacted through a recognised stock exchange in India, where such transaction is chargeable to securities transaction tax will be taxable at the rate of 15% (plus applicable surcharge and education cess).

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

1. As per section 10(34) of the Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003) received on the shares of the Company is exempt from tax.
2. As per section 10(38) of the Act, long-term capital gains arising to the shareholder from the transfer of a long-term capital asset being an equity share in the Company, where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the shareholder.
3. As per first proviso to section 48 of the Act, in case of a non resident shareholder, the capital gain/loss arising from transfer of shares of the Company, acquired in convertible foreign exchange, is to be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively incurred in connection with such transfer, into the same foreign currency which was initially utilized in the purchase of shares. Cost Indexation benefit will not be available in such a case.
4. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money. However, the investment in long term specified asset made after April 1, 2007 should not exceed fifty lakh rupees.

A “long-term specified asset” for making any investment under this section on or after the 1st day of April, 2007 means any bond, redeemable after three years and issued on or after the 1st day of April, 2007 by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988 (68 of 1988) or by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 (1 of 1956).

5. As per section 54F of the Act, long-term capital gains (in cases not covered under section 10(38) of the Act) arising to an individual or Hindu Undivided Family (HUF) on transfer of long term capital assets, not being a residential house, will be exempt from capital gain tax subject to certain conditions, if the net consideration from such shares is used for purchase of a residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer. 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, will be deemed to be income chargeable under the head “Capital Gains” of the year in which the residential house is transferred.
6. As per Section 74 of the Act, Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ short term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ long-term capital gains.
7. As per section 111A of the Act, short-term capital gains arising to the shareholder from the sale of equity shares of the Company or a unit of equity oriented fund transacted through a recognised stock exchange in India, where such transaction is chargeable to securities transaction tax will be taxable at the rate of 15% (plus applicable surcharge and education cess).
8. Under section 115-C of the Act, the Non-Resident Indian shareholder has an option to be governed by the provisions of Chapter XIIA of the Act viz. “Special Provisions Relating to Certain Incomes of Non-Residents” which are as follows:
 - (i) As per provisions of section 115D read with section 115E of the Act, where shares in the Company are acquired or subscribed to in convertible foreign exchange by a Non-Resident Indian, capital gains arising to the non-resident on transfer of shares held for a period exceeding 12 months, shall (in cases not covered under section 10(38) of the Act) be concessionaly taxed at the flat rate of 10% (plus applicable surcharge and education cess) (without indexation benefit but with protection against foreign exchange fluctuation) and the investment income shall be charged at the flat rate of 20%.
 - (ii) As per section 115F of the Act, long-term capital gains (in cases not covered under section 10(38) of the Act) arising to a Non-Resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange shall be exempt from income tax, if the net consideration is reinvested in specified assets within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.
 - (iii) As per section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
 - (iv) As per section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income, for the assessment year in which he is first assessable as a Resident, under section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such

investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.

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

For the purpose of aforesaid clauses “Non-Resident Indian” means an Individual, being a citizen of India or a person of Indian origin who is not a “resident”. A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

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

IV. Foreign Institutional Investors (FIIs)

1. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003) received on the shares of the Company is exempt from tax.
2. As per section 10(38) of the Act, long-term capital gains arising to the FIIs from the transfer of a long-term capital asset being an equity share in the Company or a unit of equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the FIIs.
3. As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the section 10(38) of the Act at the following rates:

Nature of income	Rate of tax (%)
Long-term capital gains	10
Short-term capital gains (other than referred to section 111A)	30

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

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

4. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money. However, the investment in long term specified asset made after April 1, 2007 should not exceed fifty lakh rupees.

A “long-term specified asset” for making any investment under this section on or after the 1st day of April, 2007 means any bond, redeemable after three years and issued on or after the 1st day of April, 2007 by the National Highways Authority of India constituted under section 3 of the National Highways Authority of

India Act, 1988 (68 of 1988) or by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 (1 of 1956).

5. As per Section 74 of the Act, Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.
6. As per section 111A of the Act, short-term capital gains arising to the shareholder from the sale of equity shares of the Company or a unit of equity oriented fund transacted through a recognised stock exchange in India, where such transaction is chargeable to securities transaction tax will be taxable at the rate of 15% (plus applicable surcharge and education cess).
7. As per section 196D of the Act, no tax is to be deducted from any income, by way of capital gains arising from the transfer of shares payable to Foreign Institutional Investor.

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

V. Venture Capital Companies/Funds

1. As per section 10(23FB) of the Act, all venture capital companies/funds registered with the Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income tax on all their income, including income from sale of shares of the Company. However income received by a person out of investment made in a venture capital company or in a venture capital fund shall be chargeable to tax in the hands of such person.

VI. Mutual Funds

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

Benefits to shareholders of the Company under the Wealth Tax Act, 1957

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

Benefits to shareholders of the Company under the Gift Tax Act, 1958

1. Gift made after 1st October 1998 is not liable for gift tax, and hence, gift of shares of the Company would not be liable for gift tax.

The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

Notes:

- (i) All the above benefits are as per the current tax laws.
- (ii) In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investments in the shares of the company.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to Usher Eco Power Limited for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SECTION V – ABOUT US

INDUSTRY OVERVIEW

The information presented in this section has been obtained from publicly available documents from various sources including industry websites and publications and from Government estimates. Industry websites and publications generally state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe industry, market and Government data used in the Draft Red Herring Prospectus is reliable and that website data is as current as practicable, these have not been independently verified.

Overview of Power Sector

The growth of the economy and its global competitiveness hinges on the availability of reliable and quality power at competitive rates. The demand of power in India is enormous and is growing steadily. The vast Indian power market, today offers one of the highest growth opportunities for private developers. The Government of India has identified the power sector as a key sector of focus to promote sustained industrial growth. It has embarked on an aggressive mission –“Power for All by 2012”– and has undertaken multiple reforms to make the power sector more attractive to private sector investment.

Today, most of the regions in the country are plagued with power shortages leading to erratic and unreliable supply. The problem becomes acute during peak hours and thus necessitates planned load shedding by many utilities to maintain the grid in a healthy state. Based on the projections of demand made in the 17th Electric Power Survey, total generation capacity of over 300,000 MW would be needed at the end of 2017 to meet the energy requirement, which is expected to grow at the compounded annual growth rate of 7.1%.

India is endowed with vast energy resources, both conventional and non-conventional. In the new millennium, environment compulsions on one hand and the need to achieve energy security on the other demand thrust on development power from non-conventional resources.

India’s GDP is projected to grow over 8% in the 11th Plan Period (2007-12); the desirable growth rate for power sector would be 10%. To meet the projected demand in 2011-12, additional capacity of about 78,577 MW is required to be added during the plan period. The year 2007-08 was favorable for the power industry compared with the year 2006-07. Capacity addition, growth in generation capacity and bidding of Ultra Mega Power Projects (UMPP) were some of the achievements.

Power Generation

The overall generation in the country has increased from 390 BU during 1997-98 to 624 BU during 2006-07 that is at a compounded annual growth rate of approximately 5.4 per cent. As on February 29, 2008, India’s power system had an installed generating capacity of around 141,499.84 MW. The breakup of the total installed capacity for generation of power from all the available sources for the country as a whole as on February 29, 2008 is given as under:

Sector	MW	Proportion
State Sector	74,453.76	52.5%
Central Sector	47,520.99	34.0%
Private Sector	19,525.09	13.5%
Total	1,41,499.84	100%

Source: Ministry of Power, Government of India

The Indian Power sector is predominantly based on fossil fuels, with about 53.3 percent of the country's power generation capacity being dependent on vast indigenous reserves of coal. Natural gas based generation capacity, that has grown very rapidly in the last decade due to lower capital requirements, shorter construction periods, and higher efficiencies has a 10.5 percent share in the overall capacity. Nuclear capacity remains restricted at about 2.9 percent of the total. Generation based on large hydropower has continued to grow very slowly due to a number of socio-environmental barriers and has a 24.7 percent share in capacity at present. Renewable technology projects, (renewable here refer to small hydro, wind, cogeneration and biomass-based power generation, and solar technologies and exclude large hydropower), aggregating 10,855.24 MW as on February 2008, has a 7.7 percent share in the overall generation capacity.

Fuel	MW	Proportion
Coal	75,252.38	53.3%
Gas	14,691.71	10.5%
Oil	1,201.75	0.9%
Hydro	35,378.76	24.7%
Nuclear	4,120.00	2.9%
Renewable*	10,855.24	7.7%
Total	1,41,499.84	100.0%

Source: Ministry of Power, Government of India

*Renewable technology projects, (renewable here refer to small hydro, wind, cogeneration and biomass-based power generation, and solar technologies and exclude large hydropower), aggregating 10,855.24 MW as on February 2008, has a 7.7 percent share in the overall generation capacity.

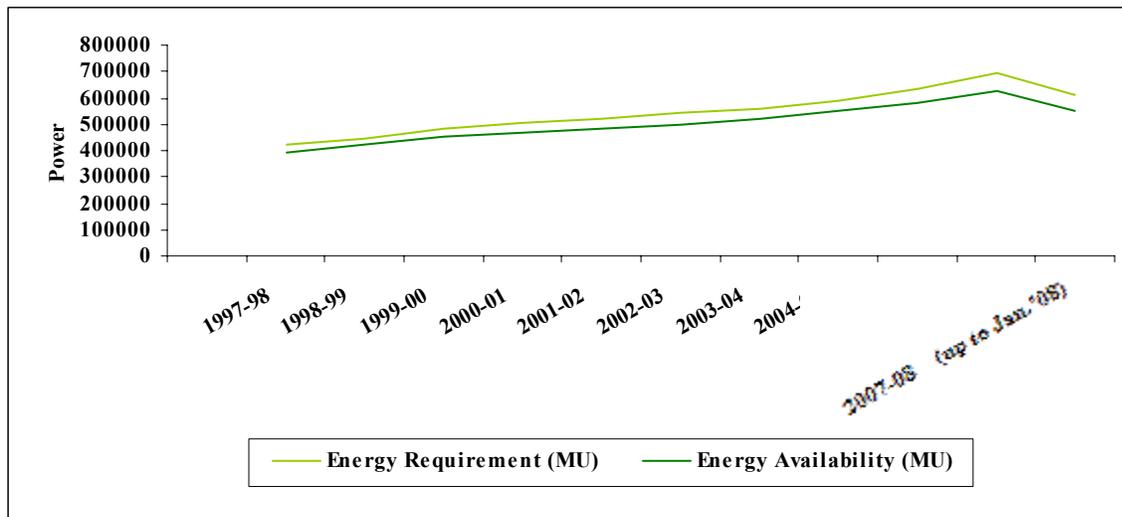
Transmission and Distribution

A reliable transmission and distribution system is important for the proper and efficient transfer of power from generating stations to load centers and beyond. In India, the transmission and distribution system is a three-tier structure comprising regional grids, state grids and distribution networks. The distribution network and the state grids are mostly owned and operated by State Electricity Boards (SEB) or State Governments through SEBs. Most of the inter-state transmission links are owned and operated by Power Grid Corporation of India Ltd.

Demand Supply Scenario

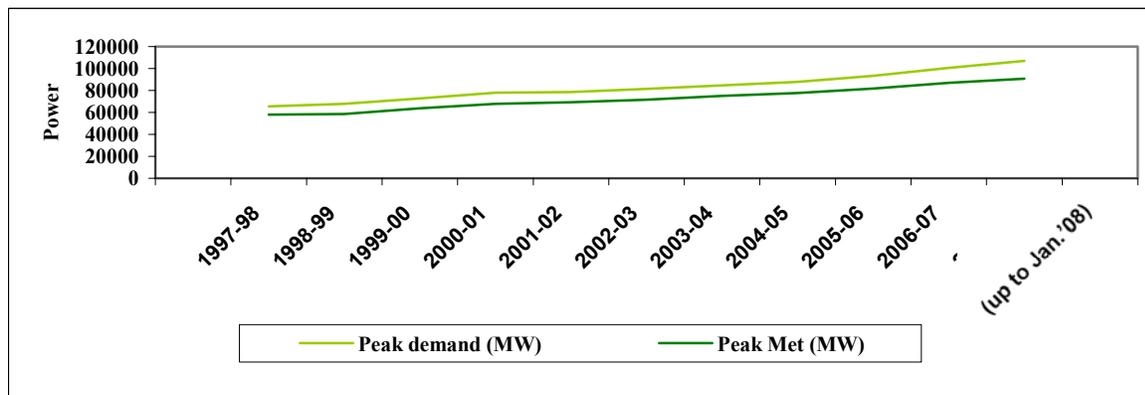
Historically, the power industry in India has been characterized by energy shortages. In the period between March 31, 1997 and March 31, 2007 the demand for power in India increased at a compounded annual growth rate of approximately 6%. However, the demand for electricity in India is still substantially in excess of the available supply. According to the Central Electricity Authority, India, in fiscal 2007, demand for electricity exceeded the supply by an estimated 9.6% in terms of total requirements and 13.8% in terms of peak demand requirements. Although power generation capacity has increased substantially in recent years, it has not kept pace with the growth in demand.

The Graph shown below indicate a huge demand and supply gap of Power:



Source: Ministry of Power, Government of India

Peak Demand

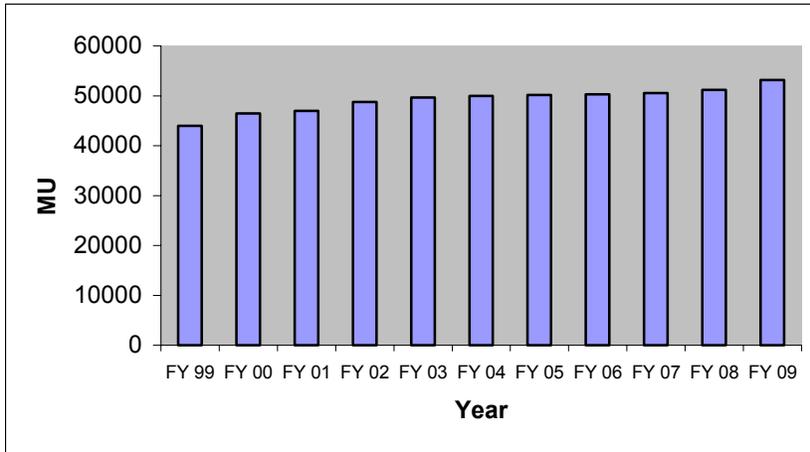


Source: Ministry of Power, Government of India

Power scenario in Uttar Pradesh

There is considerable demand-supply gap in power in the state of Uttar Pradesh. The Government of Uttar Pradesh announced its new power sector reform policy statement in January, 1999. The objective of this policy is to restore the credit worthiness of the power sector and to create an environment which will attract private investments, promote competition and efficiency and facilitate sustainable development of power sector.

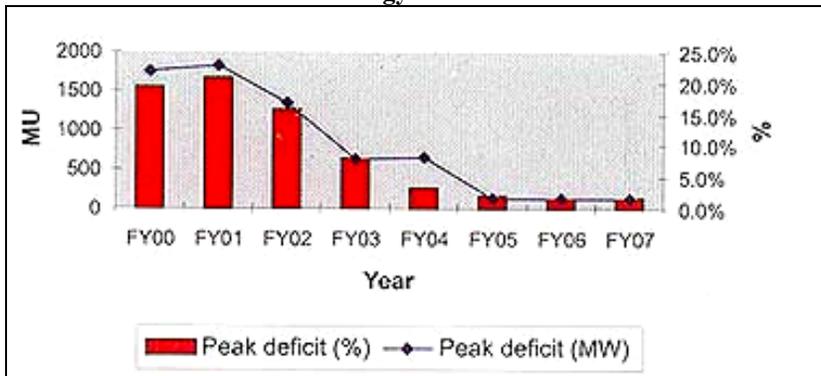
Energy Requirement



Source; Uttar Pradesh Power Corporation Limited

Corresponding to the above demand, the peak energy shortage for the above period is as indicated below:

Peak Energy Deficit



Source; Uttar Pradesh Power Corporation Limited

Based on above demand forecast for power, it is estimated that Rs. 186 billion (base cost and physical contingencies) will be required for investments by the State sector in Generation, Transmission and Distribution of power in Uttar Pradesh during the period FY 2000 to FY 2009. Besides this, investment on joint sector projects, private sector as well as central sector projects will also be made by the respective areas. The investment requirement in Generation includes completion of ongoing projects in the State sector, refurbishment of old projects, renovation and modernization of existing thermal and hydro projects under state sector. The total estimated investment requirement during FY 2000-FY 2009 is:

- Generation: Rs. 37 billion
- Transmission; Rs. 37 billion
- Distribution: Rs. 112 billion

Source; Uttar Pradesh Power Corporation Limited

Non Conventional Sources Of Energy

During the last five decades, the demand for electricity has increased manifold in India, primarily due to the rapid rate of urbanization and industrialization. The conventional fossil fuel resources for power generation are fast depleting and there is a growing concern over the environmental degradation caused by conventional power plants.

Against such implications, power generation from non-conventional resources assumes greater significance. The importance of renewable energy was recognized in the country in the early 1970s. India has today one of the largest programmes for renewable energy. The Ministry of Non-conventional Energy Sources (MNES) created in 1992 is the nodal agency of the Government of India for all matters relating to new and renewable energies. The national programme covers the entire gamut of technologies, including improved chulhas, biogas plants, short rotation fuel wood tree species, biomass, solar thermal and solar photovoltaic systems, wind farms, wind mills, biomass based cogeneration, small and micro hydel systems, energy recovery from urban, municipal and industrial wastes, hydrogen energy, ocean energy, fuel-cells and gasohol etc. In each of these areas, there are programmes of resource assessment, R & D and technology commercialization.

The Ministry of New and Renewable Energy Sources has announced a National Renewable Energy Policy. The policy envisages capacity addition of 20,000 MW during the time-frame 2002- 2012. Fossil fuels and hydro-electricity will continue to play a dominant role in the country's energy sector in the next few decades. However, fossil fuel resources are limited, and nonrenewable energy sources, therefore need to be used prudently. At the same time the existing technologies of production, transmission and distribution of electricity as well as end-use have inherent inefficiencies. It is, therefore, imperative to diversify the country's energy supply. The future requirements of electricity are likely to be for decentralised, people-managed systems. This would, however, call for a major transition in terms of technologies, organisation and attitudes.

Renewable energy is seen as an effective option for ensuring access to modern energy services. In addition, it also provides a degree of national energy security. Today India is in the forefront of international effort to harness renewable energy resources and has one of the largest and most broad-based programmes in non-conventional energy. There is significant potential in India for generation of power from renewable energy sources such as wind, small hydro, biomass and solar energy. Special emphasis has, therefore, been given on the generation of grid quality power from renewables. Over 4,000 MW of power generating capacity based on renewable energy sources has already been installed in the country. This constitutes about 3.4 per cent of the total installed capacity. This has largely come about through private investment. The Ministry of Power (MoP), Ministry of New & Renewable Energy Sources (MNRES) and Government of UP (GoUP) have decided to promote biomass based sources of energy, recognizing the need to explore alternatives to fossil fuels, socio-economic aspects and the environmental benefits associated with such Projects. India's energy scenario calls for the optimum management of all available resources in order to attain the national goals of development and social equity. A well-balanced energy mix, in which all energy resources are utilised on the basis of their economic value and environmental costs, is essential for sustainable development. Renewable energy resources are non-depletable, can effectively meet energy demand and are environmentally benign.

Table: Plant Load Factor

Particulars	Power Load Factor (% range)
Large Thermal Power	70-90
Industrial Cogeneration	40-50
Wind Power	15-20
Small Hydro Power	30-45
Biomass Power	70-90

Source: Report by Mitcon Consultancy Services Ltd

Table: Estimated potential and cumulative achievements as on 31.12.2007:

Sr. No	Sources / Systems	Estimated Potential (in Mwe)	Cumulative Achievements (in MW)
A. Grid interactive renewable power			
1	Bio Power (Agro residues)	16,881	605.80
2	Wind Power	45,195	7,844.57
3	Small Hydro Power (up to 25 MW)	15,000	2,045.61
4	Cogeneration – Bagasse	5,000	719.83
5	Waste to Energy	2,700	55.20
Sub Total (in MW) (A)		84,776	11,271.01
B. Distributed Renewable Power			
6	Solar Power	-	2.12
7	Biomass Power / Cogen (non-bagasse)	-	95.00
8	Biomass Gasifier	-	86.53
9	Waste to Energy	-	23.70
Sub Total (B)		-	207.35
Total (A + B)		-	11,478.36

Mwe - Mega watt equivalent

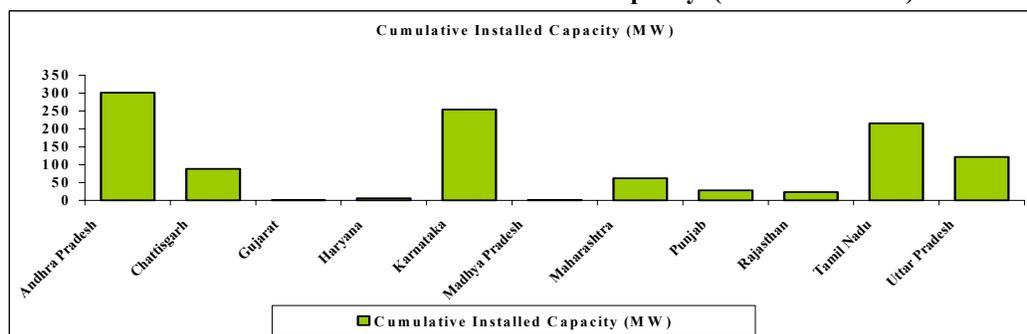
Source: Ministry of New & Renewable Energy website

Biomass

The term ‘biomass’ refers to organic matter, which can be converted to energy. Some of the most common biomass fuels are wood, agricultural residues, and crops grown specifically for energy. In addition, it is possible to convert municipal waste, manure or agricultural products into valuable fuels for transportation, industry, and even residential use. As a renewable fuel, biomass is used in nearly every corner of the developing world as a source of heat, particularly in the domestic sector. Unlike other renewables, biomass is a versatile source of energy, which can be converted to ‘modern’ forms such as liquid and gaseous fuels, electricity, and process heat.

Biomass based projects offer several benefits such as avoided use of fossil fuels, modular nature and efficient generation of heat and power, improved local and general security of supply, increasing cost-effectiveness, and reduced need for waste disposal. The environmental benefits associated with these projects include reduction in green house gases and protection of the ozone layer. Among the various renewable energy sources, biomass conversion technologies is one of the best suited for conversion to shaft power/electricity.

State-wise Grid-interactive Biomass Power Installed Capacity (as on 31.12.2006)



Source: Ministry of New & Renewable Energy website

Advantage over other renewable energy source

Unlike wind, solar or micro-hydroelectric systems, modern biomass energy systems could be set up in virtually any location where plants can be grown or domestic animals reared. Renewable sources of fuel such as solar, wind, and

micro-hydroelectric require 'spare' or additional capacity to produce adequate energy when the conditions are right, such as water flow or wind speed. This intermittent feature of such renewable energy sources necessitates electricity storage facilities, especially with small and local systems. Bio-energy sources such as producer gas systems do not require electricity storage. In short, biomass energy systems offer an opportunity for sustainable and equitable development.

It has been estimated that about 400 million tonnes of agricultural waste is being produced every year in India. As the country broadens its portfolio of power options to meet growing energy demands and increasingly stringent environmental concerns, biomass based power generation is emerging as an attractive option. Of all the technologies of utilization of biomass for energy generation, direct combustion of biomass has been recognised as an important route for generation of grid quality power by utilisation of vast amounts of agricultural residues, agro-industrial residues and forest wastes, which are either being wasted or sub-optimally utilised.

- Biomass is available all round the year.
- Biomass power generation is CO₂ neutral and thus environmentally benign, limiting green house effect.
- Cheap, widely available, easy to transport, store, and has no environmental hazards.
- Can be obtained from plantation of land having no competitive use.
- Biomass-based power generation systems, linked to plantations on wasteland, simultaneously address the vital issues of wastelands development, environmental restoration, rural employment generation, and generation of power with no distribution losses.
- Can be combined with production of other useful products, making it an attractive byproduct.
- Ideal option for providing electricity to a small cluster of villages

Table: Gross Calorific Values for some biomass fuels:

Biomass Type	Gross Calorific Value (Cals/gm)
Bagasse	2270
Rice husk	3400
Wheat husk	3700
Maize Stalks	3700

Source: Report by Mitcon Consultancy Services Ltd

Rice Husk based power generation

Amongst the various renewable energy sources, bio-resources, of which agro-residue forms a major component, hold special promise as future fuel and feedstock. Biomass based systems are the only energy generating systems, which have the combined benefits of renewability, decentralization, and availability on demand without need for separate storage.

Rice husk constitutes the largest by-product of rice milling and one fifth of the paddy by weight consists of rice husk. Rice husk has a considerable fuel value for a variety of possible industrial uses. Rice husk is a good feedstock for power generation due to its high calorific value. Moreover rice husk based power generation plants have higher load factor as compared to Wind based power plants.

The total biomass (including biomass from crop residues, non agricultural land, agro industries and animal wastes) generation in the command area which is in and around Mathura is as under:

Sr. No.	Type of Biomass	Annual Biomass Generation (in MT)		
		0-15 km	25-50 km	Total
1	Crop Residue	520,215	16,53,843	21,74,058
2	From Non agricultural land	16,779	72,287	89,066

3	Rice Husk	127,680	58,368	186,048
4	Bagasse	-	80,000	80,000
	Total	664,674	18,64,498	25,29,172

Source: Assessment note issued by the State Bank of India for the 16 mw biomass cogeneration power plant..

India has one of the world's biggest harvesting area. Amongst the major rice producing states are West Bengal, Andhra Pradesh, Uttar Pradesh, Madhya Pradesh, Orissa and Bihar. There are generally two growing season for rice. The early Kharif growing season lasts from March-May to June- October; the mid-Kharif season from June-October to November- February and the Rabi season last from November-February to March-June. Rice is one of the important cereal food crops of India. Rice contributes about 43% of total food grain production and 46% of total cereal production in the country.

Table: All India Area, Production and Yield of Rice

Year	Area (million hectares)	Production (million tonnes)	Yield (kg per hectare)
2001-02	44.90	93.34	2079
2002-03	41.18	71.82	1744
2003-04	42.59	88.53	2077
2004-05	41.91	83.13	1984
2005-06	43.66	91.79	2102
2006-07*	43.70	91.05	2084

* Advance estimates as on 04.04.2007

Note: The yield rates have been worked out on the basis of production and area figures taken in '000 units.

Source: Ministry of Agriculture, India

Table: State wise Production of Rice (2005-06)

State	Production of rice (in million tonnes)
West Bengal	14.51
Andhra Pradesh	11.70
Uttar Pradesh	11.13
Punjab	10.19
Orissa	6.86
Bihar	3.50

Source: Ministry of Agriculture, India

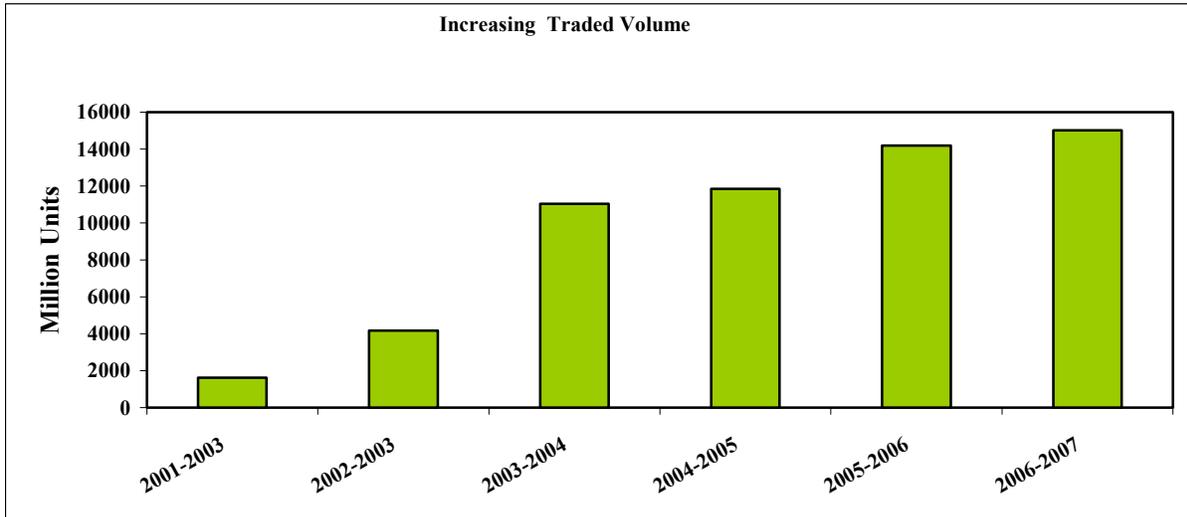
Way ahead

Biomass contributes 14% of the total energy supply worldwide. (CII – June 2004). Projections indicate that within decades, it would be cost-effective to generate and supply renewable electricity up to several thousands megawatts due to continued improvement in renewable energy devices (increasing efficiency and reducing cost) creating maximum impact on global power scenario. Besides grid supply augmentation, renewable energy technology offers possibility of decentralized power generation at or near points of use, which can reduce peaking loads and save on cost of upgradation and maintenance of transmission and distribution networks to serve the growing demand.

Power Trading

Historically the main suppliers and consumers of bulk power in India have been the various government controlled generation and distribution companies who typically contracted power on a long term basis by way of power purchase agreements (“PPAs”) with regulated tariffs. However in order to encourage the entry of merchant power plants and private sector investment in the power sector, the Electricity Act, 2003 recognized power trading as a distinct activity from generation, T&D and has facilitated the development of a trading market for electricity in India by providing for open access to transmission networks for normative charges. Power trading involves the exchange

of power from suppliers with surpluses to suppliers with deficits. Seasonal diversity in generation and demand, as well as the concentration of power generation facilities in the resources-rich eastern region of India, has created ample opportunities for the trading of power. Recent regulatory developments include the announcement of rules and provisions for open access and licensing related to interstate trading in electricity. Several entities have started trading operations or have applied for trading licenses. With the aid of the reforms, the volume of power traded as well as its traded price has grown rapidly over the last few years. The following graph and table shows the increasing volume and higher prices of power traded by the Power Trading Corporation of India Limited for the periods indicated:



Source: Power Trading Corporation

BUSINESS OVERVIEW

Our company was incorporated as a public limited company on July 20, 2007 in Maharashtra under the Companies Act, 1956. Our company's current Promoters are Mr. Vinod Kumar Chaturvedi, Mr. Manoj Chaturvedi, Usher Agro Limited and Transform Engineering Private Limited.

We propose to set up an eco-friendly paddy husk fired 16 MW biomass based cogeneration power project. The biomass power project of 16 MW capacity will primarily utilize paddy husk as feed stock. However, other biomass fuel like bagasse may also be used as feedstock. We believe that both paddy husk and bagasse will be available in and around Mathura, U.P. We have already acquired land measuring 4.16 hectares in Chhata, Mathura, U.P. for setting up the power project. We believe we will be able to secure water supply from tube wells to be installed in the plant complex. The area in proximity of proposed power project has sufficient irrigation facilities thereby maintaining the sustained availability of agro residues to be utilized as feedstock.

One of our promoter company Usher Agro Limited (UAL) is engaged in milling and processing of paddy and wheat. UAL is engaged in the processing of raw white rice, par-boiled rice and steam rice of different grades of non-basmati rice, basmati rice and wheat products like atta, maida and suji. UAL has rice milling facilities at Mathura in U.P and Buxar in Bihar and wheat milling facilities at Mathura in U.P. UAL has also set up a 1 MW cogeneration power plant utilizing paddy husk for captive consumption at Mathura. In September, 2006 UAL came out with an Initial Public Offer (IPO) for 1, 20, 12,000 Equity Shares of the face value of Rs. 10 each at a premium of Rs. 5 per share for cash aggregating to Rs. 1801.80 Lacs.

Our Competitive Strengths

- **Experienced Promoters supported by efficient management**

Our Promoters Mr. Vinod Kumar Chaturvedi and Mr. Manoj Chaturvedi have been associated with the agri-processing industry for over a decade. Our Promoters have previously set up a 1 MW cogeneration captive power plant at UAL's rice milling plant at Mathura. We believe our management team possesses requisite qualifications and experience commensurate with their responsibilities.

- **Sufficient availability and supply of raw material**

We believe that we will be able to secure adequate fuel for our plant as the Mathura region falls under the rice belt. Further, other biomass fuel like bagasse is also available in the region. We have also entered into an agreement with UAL, our Promoter, for the supply of rice husk to be used as fuel for our plant. We estimate that our arrangement with UAL will be able to provide 34% of the fuel requirement for our plant.

- **Location advantage to the power project**

The site for our proposed plant is located at about 6 km from Kosi, a town near National Highway 2 (Delhi-Agra), Mathura in U.P. The site is about 36 kms from Mathura. The site and the nearby villages are well connected by roads. The location of power plant enables power to be directly fed to the local substation, consequently minimizing transmission and distribution (T&D) losses and the requirement of long feeder lines.

- **Use of efficient technology for increased efficiency**

We would deploy technologically efficient equipments and control instrumentation would enable minimum energy consumption for auxiliary equipments so that maximum power can be exported to the state grid, thereby increasing the operational efficiency of the power plant.

- **CDM benefit**

Our 16 MW project has the potential of qualifying for Clean Development Mechanism (CDM) benefits under the Kyoto Protocol as using biomass in place of a fossil fuel is a renewable energy activity. Power generation using agro residues is environmentally clean as they produce very little fly ash and have negligible sulphur content. The Kyoto Protocol paved the way for the Clean Development Mechanism (“CDM”), a program that encourages sustainable development projects that reduce greenhouse gases in the earth’s atmosphere by issuing tradable certificates called Certified Emission Reductions (“CERs”). CER/carbon credits are financial derivatives product that derive its value from reduction in carbon emission.

Our Business Strategy

Our strategy is to firm up and expand our market position as a producer of clean power. We aim to achieve our objectives by implementing the following strategies:

- **Firming up our foothold and expanding our market share**

Once our power plant starts generating power, we intend to increase our power generating capacity by either expanding our proposed plant or setting up new power plants in other locations across India, thereby increasing our market share. We intend to set up the new power plants close to either demand centres or fuel sources in order to generate power at low cost and minimize transmission losses.

- **Ensuring sufficient fuel supply**

The agro crop potential in the area in proximity to the proposed power plant is sufficient which would maintain sufficient fuel supply for power generation. The area falls under the rice belt and other biomass fuel like bagasse is also available in sufficient quantity. We intend to have firm arrangements for securing quality fuel from various sources for which we intend to sign agreements with various potential fuel suppliers.

- **Regular technology upgradation**

We would continuously endeavor to upgrade our facility with latest technology. Use of latest equipments and control instrumentation would enable maximum utilization of the plant efficiency.

- **Identifying growth opportunities through strategic acquisitions and alliances**

We are looking out for strategic acquisitions and alliances as a part of our business strategy to grow. This would be beneficial for us, as we would get access to newer customers in a short span of time. On the operations front we intend to acquire or enter into alliances with companies having relevant experience and synergies.

Project overview

The proposed site, admeasuring 4.16 hectares in 630 Dautana, Chhata, , National Highway 2, Mathura in U.P. The site is about 36 kms from Mathura. The site and all the villages in the area of the proposed biomass power project are well connected through roads. The nearest 132 KV, DVVNL substation is at a distance of 8 km from the site.

The biomass power project of 16 MW capacity will primarily utilize paddy husk as feed stock. However, other biomass fuel like bagasse may also be used as feedstock. We believe that both paddy husk and bagasse are available in and around Mathura, U.P. The plant will have 2 sets of turbine generators, of 6MW and 10MW capacity. The plant would employ a high pressure and temperature configuration (67 kg/cm² and 495°C) boiler and steam turbine, as well as an ESP for emission control and DCS - SCADA control system for efficient operation.

The plant and equipment will consist of the high pressure boiler, extraction cum condensing turbo generator, cooling water system, DM water system, condensate system, compressed air system and electrical system consisting of

switchgears, LT distribution panels, step up transformer to export the power, step down transformers for meeting the in-house power requirements of the power plant, outdoor switchyard equipment, etc. The 30 TPH & 40 TPH boilers will be designed for paddy husk firing and also for other biomass fuels such as bagasse. The ESP will be installed as a part of the boiler, along with steel / RCC chimney, to limit the emissions well below 150 mg/Nm³, stipulated norm by the Pollution Control Board. The plant controls will be DCS based to ensure efficient operations and monitoring of operating parameters.

Biomass Generation Process

The brief generation process and outline specifications of power project are given below:

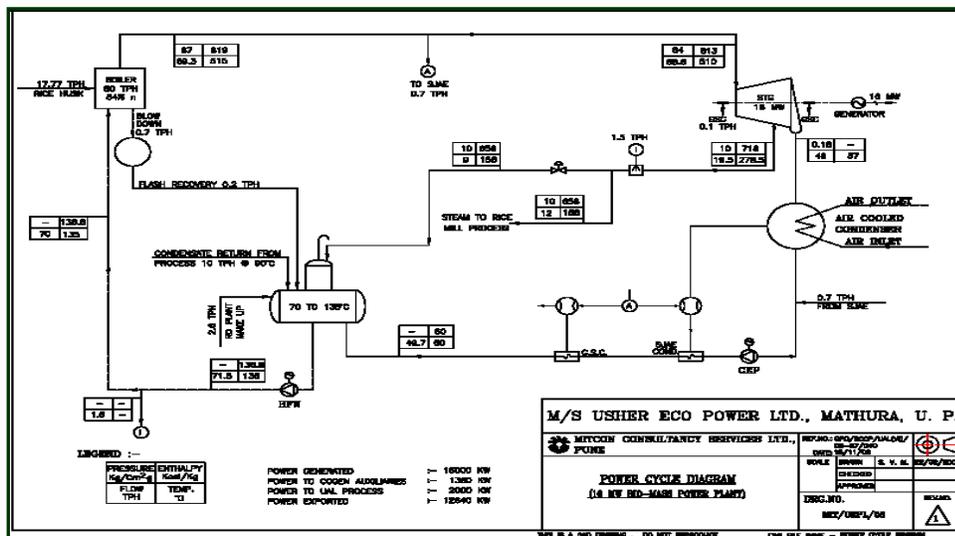
The process of power generation is by Rankine cycle. Steam generated at high pressure of 67 kg/cm² and 495⁰C will be supplied to an extraction cum condensing turbine generator (TG) set at around 64 kg/cm² and 490⁰ C. Fuel will be supplied to boiler and entire steam generated will be passed through the respective STG sets for generation of power. Rice mill process equipments and auxiliaries of the biomass power plant will be supplied in-house generated power from 6 MW TG set & balance of power generated will be synchronized and exported to the grid. The power generated from 10 MW TG set will be entirely exported to grid after meeting auxiliary equipments demands. The biomass power plant STG has been designed with an extraction at 6 kg/cm² for supplying steam to process and deaerator. Balance steam for maximising power generation will be condensed in the surface condenser. Latest equipment, technology and control instrumentation will be used for the power plant. The high pressure steam in small quantities, required for soot blowing, steam jet air ejector and gland sealing will be tapped from the main steam line through Pressure Reducing & De-Super Heating (PRDSH) station.

The power generated at 11 KV from both the 6 & 10 MW STG sets will be stepped down to 440 V for meeting all inhouse power requirements of auxiliaries. The balance of power generated will be synchronized with DVVNL grid stepped up to 132 KV level and transported to nearby sub-station of DVVNL at Kosi, for export purposes.

The cogen plant and equipment will consist of the high pressure boiler, extraction cum condensing turbo generator, cooling water system, DM water system, condensate system, compressed air system and electrical system consisting of switchgears, LT distribution panels, step up transformer to export the power, step down transformers for meeting the in-house power requirements of the power plant, outdoor switchyard equipment, etc.

The 30 TPH & 40 TPH boilers will be designed for 100% Rice husk firing and also for other biomass fuels such as bagasse, since 2 sugar mills are located very close by and surplus bagasse can be fired in the boiler to economise fuel costs. The plant will operate throughout the year on rice husk and other biomass fuels. The ESP will be installed as a part of the boiler, along with steel / RCC chimney, to limit the emissions well below 150 mg/Nm³, stipulated norm by the Pollution Control Board. The plant controls will be DCS based to ensure most efficient operations & monitoring of operating parameters.

Process Flow Chart



Raw materials and Utilities

Raw Material /Fuel Supply

We have entered into arrangements for fuel supply (paddy husk) to the extent of 34% of our estimated total fuel requirement by entering into raw material supply agreement with UAL dated September 26, 2008. According to the agreement, the maximum quantity of the raw material to be supplied would be all the raw material which is produced in the plant of UAL at Chhata, Mathura, Uttar Pradesh having an annual capacity of 1,94,400 MT paddy milling. UAL shall be free to furnish additional quantity to our Company, on mutual terms. Such price shall be decided at an arms length basis, based on the prices of paddy in the market in and around the area where the power plant of our Company will be located. Usher Agro Limited would be under obligation to supply the maximum quantity of Raw Material (that is, all the Raw Material produced at its plant at Chhata, Mathura, Uttar Pradesh having an annual capacity of 1,94,400 MT paddy milling) to our Company. However, our Company would have the option to purchase the Raw Material from UAL or from any other supplier(s). Our Company must give UAL atleast 30 days written notice to discontinue supply under this Agreement.

Power

We believe that we would be able to secure power needed for construction from DVVNL. With the installation of the biomass power plant the generated power at 11 kV will be stepped up to 132 kV and the required transmission line will be laid.

Water

The water requirements of the power plant will be met from the tube wells to be installed at the project site. We estimate a requirement of about 600 cu.m. of water per day, which we propose to meet through tube wells in the site.

Employees

We propose to employ 48 skilled persons to operate the plant and conduct all other activities at the plant. Our operations would require skilled and experienced personnel. We also intend to assist our employees in further development of their skills and expertise through regular training sessions and performance enhancement programs

Environmental aspects

Ash disposal

The ash generated from combustion of biomass would be disposed off to brick or cement manufacturers.

Effluent disposal

We believe that the wastewater from a biomass power plant is negligible and does not have any significant Biological Oxygen Demand (BOD) level. All wastewater will be neutralized prior to discharging to agricultural lands. All the liquid effluent, emanating from boiler and cooling tower blowdown and De-mineralised (DM) plant, will be utilised in the submerged ash handling system and for the proposed green belt.

Sewage disposal

All sewage will be collected in a common septic tank before being discharged. .

Collaborations/tie-ups/associations

As on the date of the Draft Red Herring Prospectus, we have not entered into any collaboration/tie-ups/association

Off- Take Arrangements

We intend to sell power to state run utility companies and industrial consumers either through entering long term PPA and/or on merchant basis/spot sales. As on the date of the Draft Red Herring Prospectus, we have not entered into any Power Purchase Agreement (PPA) for sale of power generated from the proposed plant.

Competition

We face normal business competition from other power producers in India. Since we intend to operate in niche segment i.e. husk based power, there are not organized many players in this segment. Moreover our size and experience is not commensurate with major other power producers in India. However we may face competition from other companies like National Thermal Power Corporation, Reliance Infrastructure Ltd., Tata Power Ltd, etc.

Export Obligations

We do not have any export obligations to be fulfilled.

Property

We have certain freehold properties and certain lease and leave and license properties to conduct our business. The table below is a summary of our freehold properties.

Sr.No.	Name of Purchaser	Description of Property	Agreement and date	Name of Vendor(s)/ Donors	Consideration	Existing Use	Stamp duty, Registration and comments
1.	Usher Eco Power Limited	Total area of 0.9556 Hectare of agricultural land bearing land registration no. 21	Deed of Sale dated January 29, 2008	Mrs. Vidyadevi, Mrs. Nirmal Agarwal and Mrs. Rukmanidevi	Rs.42,55,000	Land for setting up the plant	Stamped for Rs. 4,25,500 and registered
2.	Usher Eco Power Limited	Total area of 1.844 Hectare of agricultural land	Deed of Sale dated March 18, 2008	Mr. Saurabh Agarwal and Mrs. Renu Agarwal	Rs. 82,02,000	Land for setting up the plant	Stamped for Rs. 8,20,200 and registered
3.	Usher Eco Power Limited	Total area of 1.362 Hectare of agricultural land	Deed of Sale dated March 18, 2008	Mr. Saurabh Agarwal and Mrs. Renu Agarwal	Rs. 60,60,000	Land for setting up the plant	Stamped for Rs. 6,06,000 and is registered

The properties taken up by us on leave and license basis are summarised below:

S. No.	Nature of Agreement	Description of Property	Purpose/ Term	Rent/Security Deposit
1.	Leave and License Agreement dated May 13, 2008 executed with Usher Agro Ltd as the Licensor.	212, Laxmi Plaza, Laxmi Industrial Estate, New Link Rd Andheri-W Mumbai 400053	Registered Office May 14, 2008- May 13, 2011	Rs. 10,000/- per month
2.	Leave and License Agreement dated December 27, 2007 executed with Bindu Ajitkumar Vora	105, Atlanta Building, 10 th Floor,, Nariman Point, Mumbai- 400 021.	Corporate Office November 1, 2007- October 31, 2010.	Deposit: Rs.20,00,000 Rent: Rs.2,82,600 per month

Intellectual Property

We have not applied for registration of any intellectual property.

Insurance

As on the date of the Draft Red Herring Prospectus, our Company has not availed of any insurance policy.

KEY INDUSTRY REGULATION AND POLICIES

Our Company proposes to implement, a 16 MW bio-mass power project at 630 Dautana, Chhata, National Highway 2, Mathura, Uttar Pradesh. For details in relation to the objects of the Issue and our Company's other proposed investments, see the chapters titled "*Objects of the Issue*" and "*Business Overview*" beginning on pages 31 and 57 of the Draft Red Herring Prospectus respectively.

The following is a summary of certain relevant regulations and policies applicable to our Company's business. The descriptions set forth below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice.

Background of the Power Sector in India

Electricity, being an entry in the Concurrent List (Entry 38, List III) of the Seventh Schedule to the Constitution of India, is regulated by the Central Government and the State Governments. The electricity sector was liberalized in the 1990s permitting private participation in the generation of electricity. Since then, several independent power plants (IPPs) have been set up by private players and power purchase agreements have been entered into with State Electricity Boards (SEBs) for sale of the power generated by such IPPs.

The Electricity Act, 2003, the Electricity (Amendment) Act, 2003 and the Electricity (Amendment) Act, 2007 (collectively the "Electricity Acts")

Prior to 2003, the generation, transmission and supply of electricity were governed by the Indian Electricity Act, 1910, the Electricity (Supply) Act, 1948 and the Electricity Regulatory Commissions Act, 1998. The Electricity Act, 2003 was introduced to consolidate the laws relating to generation, transmission, distribution, trading and use of electricity and for taking measures conducive to the development of the electricity industry. The salient features of the Electricity Acts are stated in brief below:

Generation

- The Central Government, in consultation with the State Governments and the Central Electricity Authority (CEA), is required to frame the national electricity policy and tariff policy from time to time;
- Any generating company may establish, operate and maintain generating stations without obtaining a license if it complies with prescribed technical standards relating to grid connectivity;
- A generating company intending to set-up a hydro-generating station is required to submit a scheme estimated to involve a capital expenditure exceeding a prescribed sum for concurrence of the CEA. The CEA is to consider whether the proposed river-works will prejudice the prospects for the best ultimate development of the river or its tributaries for power generation. Factors such as drinking water, irrigation, navigation, flood-control or other public purposes are also required to be considered. The CEA will need to satisfy itself that an adequate study has been made of the optimum location of dams and other river-works. Further, compliance with prescribed norms regarding dam design and safety are also to be considered by the CEA.
- A generating company is required to establish, operate and maintain generating stations, tie-lines, sub-stations and dedicated transmission lines connected therewith.
- A generating company may supply electricity to any licensee or even directly to consumers, subject to availing open access to the transmission and distribution systems and payment of transmission charges, as may be determined by the relevant regulatory commission.
- Such regulatory commission is empowered, *inter alia*, to determine the tariff for supply of electricity from the generating company to a distribution licensee, for transmission of electricity, wheeling of electricity and retail sale of electricity.

Transmission

- Transmission licensees are to comply with grid standards prescribed by the CEA.
- Every transmission licensee is required to obtain a transmission license from the Central Electricity Regulatory Commission (CERC) or the State Electricity Regulation Commission (SERC), as may be applicable.
- The Central Government is required to designate one government company as the central transmission utility (CTU) and the respective state governments are to designate one government company as the state transmission utility (STU). The CTU and the STUs are deemed to be transmission licensees.
- The CTU and STUs are primarily responsible for the transmission of electricity, the planning and co-ordination of the transmission system, providing a non-discriminatory open-access system to any user and developing a coordinated, efficient and integrated inter-state and intra-state transmission system respectively.
- CTU and STUs are prohibited from engaging in the generation and/or trading of electricity.
- Open access has been granted to IPPs subject to availability of adequate transmission capacity as determined by the CTU/STUs.

Trading

- Trading (purchase of electricity for resale) for both wholesale and retail supply has been made a licensed activity. A distribution licensee can undertake distribution, trading and retail supply through one license.
- The license to trade in electricity is granted by the relevant electricity regulatory commission.
- The criteria for licensing include capital adequacy and technical parameters.
- The electricity regulatory commissions have the power to determine the ceiling on trading margins in intra-state trading of electricity.

Rural Areas

- No license is required to generate and distribute electricity in rural areas notified by the State Government, subject to compliance with the requirements specified by the CEA.

National Electricity Policy (NEP)

The NEP was notified by the Central Government on February 12, 2005, in compliance with Section 3 of the Electricity Act, 2003.

The policy seeks to address the following issues:

- Rural Electrification
- Generation
- Transmission
- Distribution
- Recovery of Cost of services & Targetted Subsidies.
- Technology Development and Research and Development (R&D)
- Competition aimed at Consumer Benefits
- Financing Power Sector Programmes Including Private Sector Participation.
- Energy Conservation
- Environmental Issues
- Training and Human Resource Development
- Cogeneration and Non-Conventional Energy Sources
- Protection of Consumer interests and Quality Standards

Section 5.2.20 of the NEP calls for the utilizing the potential of non-conventional energy resources, mainly small hydro, wind and bio-mass would also need to be exploited fully to create additional power generation capacity. With

a view to increase the overall share of non-conventional energy sources in the electricity mix, efforts will be made to encourage private sector participation through suitable promotional measures.

With respect to the transmission of electricity, the NEP recognizes the need to augment the transmission capacity in view of the increase planned in generation. The NEP places the responsibility on the CTU for the national and regional transmission system planning and development and on STU for the intra-state transmission system. The CTU is required to coordinate with the STUs for eliminating transmission constraints in a cost-effective manner. The NEP stipulates that the network expansion should be planned and implemented keeping in view the anticipated transmission demands on the transmission system in the open access regime. It further states that the prior agreement with the beneficiaries would not be a pre-condition for network expansion and the CTU and STU should undertake network expansion after identifying the requirements in consultation with stakeholders and after taking due regulatory approvals.

The NEP also recommends the creation of certain special mechanisms to encourage private investment in the transmission sector in order to meet the objective of 'Power for all by 2012'.

Modes of Participation in Power Projects

The two modes of participating in power projects are:

- (i) the MoU route; or
- (ii) the bidding route.

MoU Route

The MoU route involves negotiations between SEBs and the developer. The MOU route is based on a cost plus approach, with the cost determination usually involving the following:

- determination of receivables of capital cost. The capital costs are required to be approved by the CEA;
- approval of interest rates and local and foreign debt;
- finalizing the term of loans and/or other debt;
- finalizing the extent of foreign exchange protection;
- fixing operating parameters within the prescribed ceilings;
- identifying deemed generation provisions;
- evaluating the extent of dispatchability;
- evaluating the level of incentive payments;
- identifying change in law in terms of taxation or any other matter;
- identifying the extent of working capital permissible;
- evaluating the premium on fuel prices for assured supply;
- identifying fuel supply and transportation risk and issues;
- evaluating escalations in operation and maintenance and insurance expenses permissible;
- evaluating the extent of maintenance of spares permissible; and
- rebates in respect of prompt payment.

Bidding Route

Bidding is based on the bulk power tariff structure. The tariff structure recommends bid evaluation on the basis of levelised tariff for fixed cost components, escalable and non-escalable costs and certain operational parameters such as heat rate, auxiliary consumption, etc. Under the bidding route, the IPP sells its entire output to SEBs and does not trade directly. The revenue from operations of the IPPs under the bidding route is divided into two streams:

- the fixed or capacity charge covering the payment received by the IPP for the generating capacity available to the SEB (irrespective of the actual dispatch by the SEB). This fixed or capacity charge also comprises components in respect of foreign exchange risk; and

- the variable or energy charge, which comprises the fuel cost for the electricity generated and purchased by the SEB at actuals. The fuel cost is calculated on the heat rate over the life of the power project and the cost of the fuel.

Standards of Performance

The appropriate commission can set the standards of performance applicable to each licensee or class of licensees. A licensee failing to meet the performance standards may have to pay compensation to the person affected by such failure. The licensees are required to submit information about their performance to the appropriate commission and the appropriate commission shall arrange to publish such performance-related information at least once a year.

Key Functionaries

Central and State Governments

The Central Government has been assigned a number of duties, including planning and policy formulation, rule making, prescribing duties and other tasks, funding, and issuing directions.

The Central Government designates a CTU and establishes the National Load Dispatch Centre (NLDC), Regional Load Dispatch Centres (RLDC), the Appellate Tribunal, the Coordination Forum, and the Regulators' Forum. The Central Government is empowered to vest the property of a CTU in a company or companies and decide on the jurisdiction of benches of the Appellate Tribunal. It prescribes the duties and functions of the CEA, NLDC and RLDC. In addition to administrative control, financial control of CERC also vests with the Central Government. The State Government exercises similar powers in relation to SERC, State Load Dispatch Centres (SLDCs) and STU.

Central Electricity Authority

The CEA primarily performs a consultative role. It is empowered to grant the technical clearance required for schemes relating to hydro-generating stations entailing an investment greater than a certain specified minimum investment.

Commissions at the central and state level

The power sector has a two-level regulatory system. At the centre, the CERC is responsible for regulating tariff of generating stations owned by the Central Government, or those involved in generating or supplying in more than one State, and regulating inter-state transmission of electricity.

The SERCs on the other hand regulate intra-state transmission and supply of electricity within each State. The CERC and the SERCs are to be guided by the National Electricity Policy, Tariff Policy and the National Electricity Plan while discharging their functions.

The CERC and SERCs have been entrusted with a variety of functions, including determining tariff, granting licenses to function as transmission licensee and electricity traders and settling disputes between the generating companies and the licensees. The CERC and SERCs are quasi-judicial authorities with the powers of a civil court and an appeal against orders of the CERC and/or the SERCs would lie to the Appellate Tribunal.

Appellate Tribunal

The Appellate Tribunal has been set up as an appellate body against orders of the CERC and/or the SERCs or the adjudicating officers. The Appellate Tribunal has been empowered with the powers of a civil court and its orders are executable as decrees of a civil court. An appeal from the orders of the Appellate Tribunal will lie with the High Court.

Load dispatch centres

The Electricity Act, 2003 has created a three-tier load dispatching system, namely a NLDC, RLDC and SLDCs. The load dispatch centres are now separate government companies and they cannot participate in trading or generation of electricity.

Fiscal Regulations

Section 80-IA of the Income Tax Act, 1961 provides that, while computing the total income of an industrial undertaking or enterprise engaged in infrastructure development, including an undertaking set up for generation of power, 100% deduction of the profit and gains of such undertaking is allowed for undertakings that commence commercial operation up to March 31, 2010. This deduction is permitted during any 10 consecutive assessment years out of the first fifteen (15) years from the commencement of operation of the infrastructure facility. This benefit is not applicable when the concerned undertaking is formed by the splitting up or reconstruction of a business already in existence or by the transfer to a new business of machinery or plant previously used for any purpose. For further details, please refer to the chapter titled “Statement of Tax Benefits” on page 39 of the Draft Red Herring Prospectus.

Kyoto Protocol and Carbon Credits

The Kyoto Protocol is a protocol to the International Framework Convention on Climate Change with the objective of reducing GHG that cause climate change. The Kyoto Protocol was agreed on December 11, 1997 at the third conference of the parties to the treaty when they met in Kyoto, and entered into force on February 16, 2005.

The Kyoto Protocol defines legally binding targets and timetables for reducing the GHG emissions of industrialized countries that ratified the Kyoto Protocol.

Governments have been separated into developed nations (who have accepted GHG emission reduction obligations) and developing nations (who have no GHG emission reduction obligations). The protocol includes “flexible mechanisms” which allow developed nations to meet their GHG emission limitation by purchasing GHG emission reductions from elsewhere. These can be bought either from financial exchanges, from projects which reduce emissions in developing nations under the CDM, the Joint Implementation scheme or from developed nations with excess allowances.

Typical emission certificates are:

- Certified Emission Reduction (CER);
- Emission Reduction Unit (ERU); and
- Verified Emission Reduction (VER).

CERs and ERUs are certificates generated from emission reduction projects, under the CDM for projects implemented in developing countries, and under Joint Implementation (JI) for projects implemented in developed countries, respectively. These mechanisms are introduced within the Kyoto Protocol. For projects which cannot be implemented as CDM or JI, but still fulfill the required standards, VERs can be generated. VERs, however, cannot be used for compliance under the Kyoto Protocol.

Other Regulations

In addition to the laws specific to implementing and operating power generating stations, our Company is also required to comply with the provisions of other legislations generally applicable to an operating business. The key regulations that are applicable to our Company include:

Environmental Laws:

Our Company’s projects, particularly during their construction but also on a continuing basis, have to comply with various provisions of environmental legislations. Seismic parameters are to be complied with during construction.

Our Company's projects may affect wildlife and aquatic life and may also involve rehabilitation and resettlement of human population in the vicinity of the projects. Consequently, relevant provisions of the Environment Protection Act, 1986, Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981, Hazardous Wastes (Management and Handling) Rules, 1989 and relevant forest conservation regulations, among others, are applicable to our Company.

Labour Laws:

The construction and operation of our Company's projects are labour-intensive activities and thus require compliance with various labour welfare legislations, including the Industrial Disputes Act, 1947, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Payment of Bonus Act, 1965 and the Employees State Insurance Act, 1948.

In addition to the above, the provisions of the Companies Act various fiscal regulations and municipal laws are also applicable to our Company in the course of its operations.

HISTORY AND OTHER CORPORATE MATTERS

Our Company was incorporated as Usher Eco Power Limited under the Companies Act, 1956 *vide* Certificate of Incorporation dated July 20, 2007 issued by the Registrar of Companies, Maharashtra at Mumbai bearing CIN U40102MH2007PLC172552, with our registered office at 212, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai - 400 053. Our registered office has not changed since inception.

We propose to set up a paddy husk fired 16 MW biomass based cogeneration power project. The biomass power project of 16 MW capacity will mainly use paddy husk as feed stock, however other biomass fuel like baggase may also be used as feedstock.

Our Main Objects

Our main objects as contained in our Memorandum of Association are:

1. To carry on the business of purchasing, selling, importing, exporting, producing, trading, manufacturing or otherwise dealing in all aspects of planning, investigation, research, design and preparation of preliminary, feasibility and definite project reports, construction, generation, operation and maintenance of Power Stations and Projects, transmission, distribution and sale of power, power development, ancillary and other allied industries and for that purpose to install, operate and manage all necessary plant, establishments and works.
2. To undertake the business of other allied / ancillary industries including those for utilization / sale / supply of steam and ash generated at power stations, and other by-products and to do the deal-in supply, install, operate, and manage all necessary plants, items of equipment, cables, wires, lines, establishments and other works related to Energy and other forms of Energy services like Project Management, Project Advisory services.
3. To carry on business of manufacturing, producing, processing, generating, accumulating, distributing, transferring, preserving, mixing, supplying, contracting, as consultants, importers, exporters, buyers, sellers, assemblers, hirers, repairers, dealers, distributors, stockists, wholesales, retailers, jobbers, traders, agents, brockers, representatives, collaborators for merchandising, marketing managing, leasing, renting, utilizing of electricity, steam, power, solar energy, wind energy, biomass energy, geothermal energy, hydel energy, tidal and wave energy, and other conventional, non-conventional and renewal energy sources, waste treatment plants of all kinds and equipment thereof in India and outside India.

Changes in Registered Office

Our registered office has not changed since incorporation.

Changes in Memorandum of Association

Sr. No.	Date of shareholder's approval	Details of Change
1.	March 25, 2008	Increase in authorized capital from Rs. 1,00,00,000 comprising of 10,00,000 of Rs. 10 each to Rs. 6,00,00,000 comprising of 60,00,000 of Rs. 10 each.
2.	June 27, 2008	Increase in authorized capital from Rs. 6,00,00,000 comprising of 60,00,000 of Rs. 10 each to Rs. 25,00,00,000 comprising of 2,50,00,000 of Rs. 10 each.

Subsidiaries

Our Company has no subsidiaries.

Shareholders Agreements

Pursuant to the Share Subscription and Shareholders Agreement (“**Agreement**”) dated April 20, 2007 between Mr. Vinod Kumar Chaturvedi, Mr. Manoj Chaturvedi and Usher Agro Limited (“**Usher Promoters**”) and Transform Engineering Private Limited (“**Transform**”), and the Supplemental Share Subscription and Shareholders Agreement (“**Supplemental Agreement**”) dated September 30, 2008 between Mr. Vinod Kumar Chaturvedi, Mr. Manoj Chaturvedi and Usher Agro Limited (“**Usher Promoters**”), Transform Engineering Private Limited (“**Transform**”) and Usher Eco Power Limited (“**Our Company**”). Transform was to invest Rs. 4,90,000 in our Company (then proposed) by way of direct subscription to 49,000 Equity Shares of Rs. 10 each for at a price of Rs. 10 per Equity Share and Usher Agro Limited was to subscribe to 26,000 Equity Shares of our Company (then proposed) at a price of Rs. 10/- per Equity Share; and Mr. Vinod Kumar Chaturvedi, Mr. Manoj Chaturvedi were to subscribe to 24,500 Equity Shares of our Company each (then proposed) at a price of Rs. 10/- per Equity Share and certain other individuals were to subscribe to 500 Equity Shares of our Company (then proposed) at a price of Rs. 10/- per Equity Share. There were certain conditions precedents in relation to the investment by the investors, as mentioned in the aforesaid agreement. The conditions precedent being as mentioned below:

Mr. Vinod Kumar Chaturvedi and Mr. Manoj Chaturvedi together with certain other individuals were to incorporate a company engaged in the business of power generation and allied activities, being our Company.

Transform and the Usher Promoters agreed to subscribe to Equity Shares of our Company as mentioned above.

As per the Agreement and the Supplemental Agreement:

1. The Usher Promoters shall not dispose of in any manner and continue to hold the existing Equity Shares and those that might be allotted to them in the future by way of bonus, rights etc without prior approval of Transform.
2. Transform agreed to be named as a promoter of Usher Eco Power Limited in the offer document for the purpose of proposed IPO of Usher Eco Power Limited, in terms of and for the purpose of the SEBI (Disclosure and Investor Protection Guidelines), 2000.
3. Transform and Usher Promoters agreed upon infusing such additional funds into Our Company either by themselves or through any affiliates at such date as may have been agreed between the parties.
4. Usher Promoters and Transform agreed upon being responsible and liable for the compliances to be made in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 1992, upon the listing of the Equity Shares of Our Company pursuant to the IPO.
5. All the affirmative rights given to Transform would cease to exist on the date of listing of the Equity Shares of Our Company, pursuant to the proposed IPO.

Other Agreements

Except as stated in this sub-section and except various agreements/contracts, which have been entered in regular course of business with our suppliers, customers and lenders, there are no other material agreements or contracts, which have been entered into within a period of two years prior to the date of the Draft Red Herring Prospectus.

Joint Ventures, Strategic Partners, Financial Partners

Our Company does not have any joint ventures, strategic partners or financial partners as on the date of the Draft Red Herring Prospectus.

OUR MANAGEMENT

Board of Directors

We currently have six directors on our Board. The following table sets forth details regarding our current directors:

Sr. No.	Name, Father's Name, Designation, Address, Occupation and DIN	Date of Appointment and Term	Status	Age (in years)	Details of other Directorships
PROMOTER DIRECTORS					
1.	<p>Mr. Vinod Kumar Chaturvedi</p> <p>S/o Mr. Murarilal Chaturvedi</p> <p>Managing Director</p> <p>B-5/202, Mangal Nagar Yari Road, Andheri(West) Mumbai-400 061</p> <p>Occupation: Industrialist</p> <p>DIN: 00325197</p> <p>Nationality: Indian</p>	<p>Date of Appointment: Since Incorporation</p> <p>Term of Office: As Managing Director. For the period of 5 years w.e.f from June 25, 2008</p>	Promoter, Executive	43	<p>Public Limited Companies:</p> <ol style="list-style-type: none"> 1. Usher Agro Limited 2. Usher Oils & Foods Limited 3. Usher Logistic Limited 4. Usher Capitals Limited 5. SJP Real Estates Limited <p>Private Limited Companies:</p> <ol style="list-style-type: none"> 1. Vedika Finance Private Limited 2. Narayani Nivesh Nigam Private Limited
2.	<p>Mr. Manoj Chaturvedi</p> <p>S/o Mr. Murarilal Chaturvedi</p> <p>Joint Managing Director</p> <p>346, Nagala Paisa Mathura-281 001</p> <p>Occupation: Industrialist</p> <p>DIN: 00616061</p> <p>Nationality: Indian</p>	<p>Date of Appointment: Since Incorporation</p> <p>Term of Office: As Joint Managing Director. For the period of 5 years w.e.f from June 25, 2008</p>	Promoter, Executive	35	<p>Public Limited Companies:</p> <ol style="list-style-type: none"> 1. Usher Agro Limited 2. Usher Oils & Foods Limited 3. Usher Logistic Limited 4. Usher Capitals Limited <p>Private Limited Companies:</p> <ol style="list-style-type: none"> 1. Vedika Finance Private Limited 2. Narayani

Sr. No.	Name, Father's Name, Designation, Address, Occupation and DIN	Date of Appointment and Term	Status	Age (in years)	Details of other Directorships
					Nivesh Nigam Private Limited
INDEPENDENT DIRECTORS					
3.	Mr. Vijay Ranchan S/o Mr. Pyarelal Sharma Director Plot No. 131, Sector 8-C, Gandhinagar-382 008 Occupation: Retired IAS DIN: 01602023 Nationality: Indian	Date of Appointment: April 7, 2008 Term of Office: Liable to retire by rotation	Independent	65	Public Limited Companies: 1. Usher Agro Limited 2. Adani Power Limited 3. Adani Energy Limited Private Limited Companies: 1. Shah Papers and Pulp Private Limited
4.	Mr. Srinivasachari Rajagopal S/o Mr. P.M. Srinivasachari Director Varenya, 1043, 10 th Main Road, Judicial Officers Layout, GKVK Post Bangalore 560065 Occupation: Retired Banker DIN: 00022609 Nationality: Indian	Date of Appointment: May 15, 2008 Term of Office: Liable to retire by rotation	Independent	68	Public Limited Companies: 1. GMR Energy Limited. 2. Srei Infrastructure Finance Limited 3. Srei Venture Capital Limited 4. SP Apparels Limited 5. Varun Industries Limited 6. Zylog Systems Limited 7. National Trust Housing Finance Limited 8. GMR Kamalanga Energy Ltd. Private Limited Companies: 1. GMR Tambaram-Trindivanam Expressways Private Limited 2. GMR Tuni-

Sr. No.	Name, Father's Name, Designation, Address, Occupation and DIN	Date of Appointment and Term	Status	Age (in years)	Details of other Directorships
					Anakapalli Expressways Private Limited 3. Wisdomleaf IT Technologies Private Limited
5.	Mr. Ajay Prakash Arora S/o Mr. Madho Prasad Arora Director 3B-305, Dheeraj Enclave, Borivili (East), Mumbai- 400 066 Occupation: Retired Banker DIN: 01055020 Nationality: Indian	Date of Appointment: Since Incorporation Term of Office: Liable to retire by rotation	Independent	66	1. Usher Agro Limited
6.	Mr. Guru Prasad Kohli s/o Pyare Lal Kholi Director 1403/04, Dheeraj Enclave, Tower 1A, Borivali East, Mumbai – 66. Occupation: Management Consultant DIN: 00230388 Nationality: Indian	Date of Appointment: September 30, 2008 Term of Office: Till next annual general meeting	Independent	68	<u>Public Limited Companies:</u> 1. Dewan Housing and Finance Ltd 2. DHFL Insurance Services Limited
7.	Mr. Pandoo Prabhakar Naig S/o Mr. Prabhakar Krishna Naig Director Flat No. 62, Building 7 SSS Nagar, Flank Road Mumbai- 400 037 Occupation: Business DIN: 00158221	Date of Appointment: August 16, 2007 Term of Office: Liable to retire by rotation	Independent	27	<u>Public Limited Companies:</u> 1. Usher Agro Limited 2. Usher Logistic Limited 3. Usher Oils & Foods Limited 4. Usher Capitals Limited 5. Khevana Securities & Finstock Limited 6. Odonap

Sr. No.	Name, Father's Name, Designation, Address, Occupation and DIN	Date of Appointment and Term	Status	Age (in years)	Details of other Directorships
	Nationality: Indian				Securities (India) Limited 7. Odonap Agrotech Limited <u>Private Limited Companies:</u> 1. Leadline Software & Trading Private Limited 2. Good Yield Fertilizers & Pesticides Private Limited 3. Transform Engineering Private Limited 4. Mint Street Estates Private Limited 5. One Life Corporate Advisory Services Private Limited

Note: None of the above mentioned Directors are on the RBI List of wilful defaulters as on date.

Brief Biography of Our Directors

Mr. Vinod Kumar Chaturvedi, aged 43 years, holds a Bachelors degree in Commerce (B. Com) from Agra University and is a fellow member of The Institute of Chartered Accountants of India. He has twenty years of experience in finance, project & food processing industry. During 1996 he promoted Usher Agro Ltd. and set up a conventional rice milling plant at Mathura, which was successfully implemented and commissioned ahead of schedule. Subsequently he implemented modern rice milling plant at Buxar (Bihar) and Wheat Roller Flourmill at Mathura. Prior to promoting Usher Agro Ltd. he worked as Finance Executive with Kanika Meritime & Mercentile Pvt Ltd., a company engaged in import, export and shipping business for a year. During his tenure with the company he got exposure to international business. After that for 6 years he worked with ATV Projects India Ltd., a project construction and engineering company as Finance Manager, where he gained exposure to project execution, finance & account activities. He is the Key Promoter of our Company and is involved in the conception and implementation of 16 MW biomass based cogeneration power project of the Company. He is currently the Managing Director of our Company.

He is currently the Managing Director of our Company.

Mr. Manoj Chaturvedi, aged 35 years, holds a Bachelors degree in Commerce (B. Com) from Agra University. He is a Promoter and brother of Mr. Vinod Kumar Chaturvedi. He has over eleven years of experience in food processing industry.. He has been actively involved in the implementation of all the projects of Usher Agro Limited (UAL) commissioned so far. His responsibilities with UAL includes contribution to strategic growth and development of strong marketing network for the products. In the process, he enjoys good relations with local Government bodies, Food Corporation of India and various other Government Authorities. He also has efficient

managerial capability to deal with labour, farmers, and operating personnel at the plants. He is the one of the Promoters of our Company and is involved in the conception and implementation of 16 MW biomass based cogeneration power project of the Company. He is currently the Joint Managing Director of our Company.

Mr. Vijay Ranchan, aged 65 years, holds a Master's degree in English and a specialized training in value added taxes from Harvard Law School and poverty alleviation from University of Sussex, U.K. He is a retired IAS officer (1967 batch). He has held the positions of Secretary/Principal Secretary/Additional Chief Secretary in the Departments of Revenue, Industry, Labour, and Health, among others, of the State Government of Gujarat. He has been the chairman of Gujarat Industries Power Company Limited and the chairman of Gujarat State Energy Generation where. He has also been the chairman-cum-Managing Director of the Gujarat State Power Corporation. under his chairmanship a power project was commissioned in a record time of 17 month. He has also been the Managing Director of Gujarat Mineral Development Corporation, in his tenure as the Managing Director of the Gujarat Mineral Development Corporation, the corporation saw an increase in profit by 30 times. He is presently on the board Adani Power Limited and Adani Energy Limited.

Mr. Srinivasachari Rajagopal, aged 68 years. He holds a Master's degree in Economics and a degree in Commerce. He also holds a degree in law. He has over 36 years of experience in the Banking sector specialising in credit management and he is a practicing advocate specialising in company matters. He was the Managing Director and Chairman of the Bank of India till the year 2000. He has also held the office of chairman & MD of Indian Bank. The Banking Service Recruitment Board has been chaired by him. He has been on the board of directors of many other companies and corporations, United India Insurance Company Limited, Securities Trading Corporation of India Limited, Indian Opportunities Fund (Mauritius) Limited, London, UTI Securities Limited, BOI Asset Management Co. Limited, to name a few. He is currently serving on the board of GMR Energy Limited, GMR Tambaram-Trivandrum Expressways (P) Limited, National Trust Housing Finance Limited(Non-Executive Chairman), S.P. Apparels Limited and Varun Industries Limited. He is also a member of the Settlement Advisory Committee of Canara Bank and has headed the High Level Committee constituted by the then Hon'ble Union Finance Minister, Shri Yashwant Sinha to look into the problems relating to declining CD ration and industry-related issues in Bihar during the year 1999. He has conducted various studies with the India Bankers Association (IBA) on tyre, sugar, granite, electronics, films, priority sectors etc. He is also an academician being a member of the Court of Banaras Hindu University.

Mr. Ajay Prakash Arora, aged 66 years, holds a Masters Degree in Commerce (M.Com) and is also qualified as a Certified Associate of the Indian Institute of Bankers (CAIIB). He joined the Central Bank of India in 1963 and retired in 2001. During his tenure with the Central Bank of India he has worked in various capacities like Senior Internal Auditor, Investigations/Enquiry officer, Branch Manager, Chief Manager in Branches and Zonal officer. He has been the principal of training colleagues for banking operations.

Mr. Guru Prasad Kohli, aged 68 years. He holds a Master's degree in Arts and a diploma in Labour Laws, and is an alumnus of IIM Ahmedabad. He has also been a lecturer in Punjab Varsity, Affiliated College. He has over 34 years of professional experience having joined the LIC as a Junior Executive in the year 1964. Thereafter he has held top management positions with the LIC India during (1993 – 2000). He was involved in the corporate restructuring of the LIC and its policies relating to finance/investment, marketing, organisation development/corporate planning, human resource development and training, and public relations/corporate communication. He has also been on the board of companies and corporations such as Delhi Finance Corporation, Delhi Co-operative Housing Board, Larsen and Toubro, Ballarpur Industries Limited and ECE Limited. He was also engaged in research and education with the Global Institute for Financial and Educational Services.

Mr. Pandoo Naig, aged 27 years. He is a businessman possessing having experience in business development especially in formulation of strategies and business growth plans. He has been appointed as a director on our Board in the Board Meeting of the company held on August 16, 2007. He was appointed as a director of our Company pursuant to the Share Subscription and Shareholders Agreement dated April 20, 2007 entered into between Mr. Vinod Kumar Chaturvedi, Mr. Manoj Chaturvedi, Usher Agro Limited and Transform Engineering Private Limited. He represents Transform Engineering Private Limited on the board of our Company.

Borrowing Powers of Directors

The shareholders of our Company have passed a resolution at the AGM of our Company held on June 27, 2008, authorising the Board of Directors of our Company pursuant to Section 293(1)(d) of the Companies Act, 1956 to borrow, such sum or sums of money as they may deem requisite for the purpose of the business of our Company not withstanding that the monies to be borrowed together with the monies already borrowed by our Company (apart from temporary loans obtained from the bankers of our Company in the ordinary course of business) shall exceed the aggregate of the paid up capital of our Company and its free reserves, that is to say, reserves not set up for any specific purposes provided that the total amount together with the monies already borrowed by the Board of Directors shall not at any time exceed the sum of Rs. 100 crore.

For details regarding powers of our Board in this regard please refer to the section titled “*Main Provisions of the Articles of Association*” on page 184 of the Draft Red Herring Prospectus.

Compensation and benefits to our Executive Directors

Sr. No.	Name of Director	Designation	Compensation paid for the Financial Year 2007-08
1.	Mr. Vinod Kumar Chaturvedi	Managing Director	Nil
2.	Mr. Manoj Chaturvedi	Joint Managing Director	Nil

Terms of Appointment of Our Executive Directors

Managing Director

Mr. Vinod Kumar Chaturvedi was appointed Managing Director for a term of five years vide agreement dated June 25, 2008. The terms of his appointment have been approved by the shareholders vide resolution dated June 27, 2008.

In consideration for his services as Managing Director, Mr. Vinod Kumar Chaturvedi would be paid the salary of Rs. 25000/- (Rupees Twenty five Thousand only) per month with effect from June 25, 2008 and will be paid remuneration by way of salary, perquisites and any other allowances as permissible under Section II of Part II of Schedule XIII to the Companies Act, 1956.

Joint Managing Director

Mr. Manoj Chaturvedi was appointed Joint Managing Director for a term of five years vide agreement dated June 25, 2008. The terms of his appointment have been approved by the shareholders vide resolution dated June 27, 2008.

In consideration for his services as Joint Managing Director, Mr. Manoj Chaturvedi would be paid the salary of Rs. 25000/- (Rupees Twenty five Thousand only) per month with effect from June 25, 2008 and will be paid remuneration by way of salary, perquisites and any other allowances as permissible under Section II of Part II of Schedule XIII to the Companies Act, 1956.

Compensation to Non- Executive Directors:

Our Non - Executive Directors are entitled to sitting fees of Rs. 10,000/- for every meeting of the Board attended by them.

Corporate Governance

The provisions of the Listing Agreement to be entered into with BSE and NSE with respect to corporate governance and the SEBI Guidelines in respect of corporate governance will be applicable to our Company at the time of seeking in principle approval for listing of our Company’s Equity Shares with the Stock Exchanges. Our Company has complied with SEBI Guidelines in respect of Corporate Governance specially with respect to broad basing of board, constituting the Committees such as Shareholders/Investors Grievance Committee, Audit Committee and Remuneration Committee.

Our Company has complied with the corporate governance requirements as per Clause 49 of the Listing Agreement. In terms of the Clause 49 of the Listing Agreement, our Company has already appointed Independent Directors and constituted the following Committees of the Board:

1. Audit Committee
2. Remuneration Committee
3. Shareholders/Investors Grievance Committee
4. Public Issue Management Committee

Audit committee

Our Company has formed an Audit Committee vide Board Resolution dated June 25, 2008 in compliance with Section 292A of the Companies Act and Clause 49 of the Listing Agreement. The Audit Committee has been constituted with the following Directors:

Name of Director	Designation in the Committee	Nature of Directorship
Mr. S. Rajagopal		Independent
Mr. Ajay Prakash Arora	Member	Independent
Mr. Pandoo Naig	Member	Independent

Terms of Reference

The scope and function of the Audit Committee is in accordance with Section 292A of the Companies Act and Clause 49 of the Listing Agreement and its terms of reference include the following:

- i. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ii. 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.
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- iv. Appointment, removal and terms of remuneration of internal auditors
- v. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the 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;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to the financial statements;
 - f) Disclosure of any related party transactions;
 - g) Qualifications in the draft audit report.
- vi. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
- vii. Monitoring the use of the proceeds of the proposed initial public offering of the Company.
- viii. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- ix. 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.
- x. Discussions with internal auditors on any significant findings and follow up thereon.
- xi. Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors
- xii. 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.
- xiii. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

- xiv. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- xv. To review the functioning of the whistle blower mechanism, when the same is adopted by the Company and is existing.
- xvi. Carrying out any other function as may be statutorily required to be carried out by the Audit Committee.

Remuneration Committee

The Remuneration Committee has been formed by the Board of Directors at the meeting held on June 25, 2008, in compliance with the Companies Act and Clause 49 of the Listing Agreement. The Remuneration Committee has been constituted with the following Directors:

Name of Director	Designation in the Committee	Nature of Directorship
Mr. Ajay Prakash Arora	Chairman	Independent
Mr. Vijay Ranchan	Member	Independent
Mr. S. Rajagopal		Independent

Terms of reference

This committee shall look into the following:

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

Shareholders' Grievance Committee

The Shareholders' Grievance Committee has been formed by the Board of Directors at the meeting held on June 25, 2008, in compliance with the Companies Act and Clause 49 of the Listing Agreement. The Shareholders'/ Investors Grievance Committee has been constituted with the following Directors:

Name of Director	Designation in the Committee	Nature of Directorship
Mr. Vijay Ranchan	Chairman	Independent
Mr. Guru Prasad Kohli		Independent
Mr. Ajay Prakash Arora	Member	Independent

Terms of reference

This committee will address all grievances of shareholders/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:

“To supervise and ensure:

- i. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;

- ii. Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- iii. Issue of duplicate / split / consolidated share certificates;
- iv. Review of cases for refusal of transfer / transmission of shares and debentures;
- v. Reference to statutory and regulatory authorities regarding investor grievances;
- vi. And to otherwise ensure proper and timely attendance and redressal of investor queries and grievances”.

Public Issue Management Committee

The Public Issue Management Committee has been formed by the Board of Directors at the meeting held on June 25, 2008 to decide on matters pertaining to proposed Initial Public Offering. The Public Issue Management Committee has been constituted with the following Directors:

Name of Director	Designation in the Committee	Nature of Directorship
Mr. Pandoo Naig	Chairman	Independent
Mr. Vinod Kumar Chaturvedi	Member	Executive
Mr. Ajay Prakash Arora	Member	Independent

Terms of reference

- i. to decide on the actual size of the public offer, including any offer for sale by promoters/shareholders, exercise of any green shoe (over-allotment) option and/or reservation on a firm or competitive basis, timing, pricing and all the terms and conditions of the issue of the shares, including the price, and to accept any amendments, modifications, variations or alterations thereto;
- ii. to appoint and enter into arrangements with the lead manager to the issue, brokers to the issue, collection bankers to the issue, registrars, legal advisors and any other agencies or persons;
- iii. to finalise and settle and to execute and deliver or arrange the delivery of the Draft Prospectus, Final Prospectus and all other documents, deeds, agreements and instruments as may be required or desirable in connection with the issue of shares by the Company;
- iv. to open a separate current Account in the name and style of "USHER ECO POWER LIMITED. - Escrow Account - R" and "USHER ECO POWER LIMITED. - Escrow Account-NR", with a scheduled bank to receive applications along with application monies in respect of the issue of the shares of the Company;
- v. the opening of a Bank Account of the Company in the name and style of "USHER ECO POWER LIMITED. - Public Issue Account" and "USHER ECO POWER LIMITED. - Public Issue Refund Account" for the handling of refunds for the Issue;
- vi. to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, allocation and allotment of the shares as permissible in law, issue of share certificates in accordance with the relevant rules;
- vii. to make any applications to the FIPB, RBI and such other authorities, as may be required, for the purpose of issue of shares by the Company to non-resident investors such as NRIs and FIIs;
- viii. to make applications for listing of the equity shares of the Company in one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s);
- ix. for finalising the basis of allocation and to allot the shares to the successful allottees; and
- x. to settle all questions, difficulties or doubts that may arise in regard to such issues or allotment as it may, in its absolute discretion deem fit.”

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

The provisions of Regulation 12 (1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchanges.

Ms. Shreya Ramkrishnan our Company Secretary and Compliance Officer is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

Shareholding of Our Directors

As per our Articles, our Directors are not required to hold any Qualification Shares in our Company. Save and except as below, our Directors do not hold any Shares in our Company as on the date of the Draft Red Herring Prospectus.

Sr. No.	Names of our Directors		% of Pre-Issue Shareholding
1	Mr. Vinod Kumar Chaturvedi	9,14,050	14.09
2	Mr. Manoj Chaturvedi	7,12,290	10.98
3	Mr. Ajay Prakash Arora	100	Negligible

Further, the following entities in which our Directors are associated as promoters/directors hold Equity Shares in our Company:

Entity	No. of Equity Shares	Pre-issue holding (%)	Name of Director	Nature of Interest
Usher Agro Limited		12,80,500	Mr. Vinod Kumar Chaturvedi	Promoter
			Mr. Manoj Chaturvedi	Promoter
			Mr. Ajay Prakash Arora	Independent Director
			Mr. Vijay Ranchan	Independent Director
			Mr. Pandoo Naig	Independent Director
Transform Engineering Private Limited		30,49,000	Mr. Pandoo Naig	Independent Director
Vedika Finance Private Limited		5,30,000	Mr. Vinod Kumar Chaturvedi	Promoter Director
			Mr. Manoj Chaturvedi	Promoter Director

None of our Directors or Key Managerial Personnel are “relatives” within the meaning of Section 6 of the Companies Act other than Mr. Vinod Kumar Chaturvedi and Mr. Manoj Chaturvedi, who are brothers.

Interest of Directors (Other than Promoter Directors)

Except as stated in “Auditor’s Report and Financial Information of our Company” on page 99 of the Draft Red Herring Prospectus and to the extent of their compensation/sitting fees and reimbursement of expenses as mentioned in “Our Management” beginning on page 71 of the Draft Red Herring Prospectus no amount of benefit has been paid or given within the two preceding years or intended to be paid or given to any of our Directors except the normal remuneration for services rendered.

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

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

Our Directors do not have any interest in any property acquired by our Company in a period of two years before filing the Draft Red Herring Prospectus with SEBI or proposed to be acquired by us as on date of filing the Draft Red Herring Prospectus with SEBI.

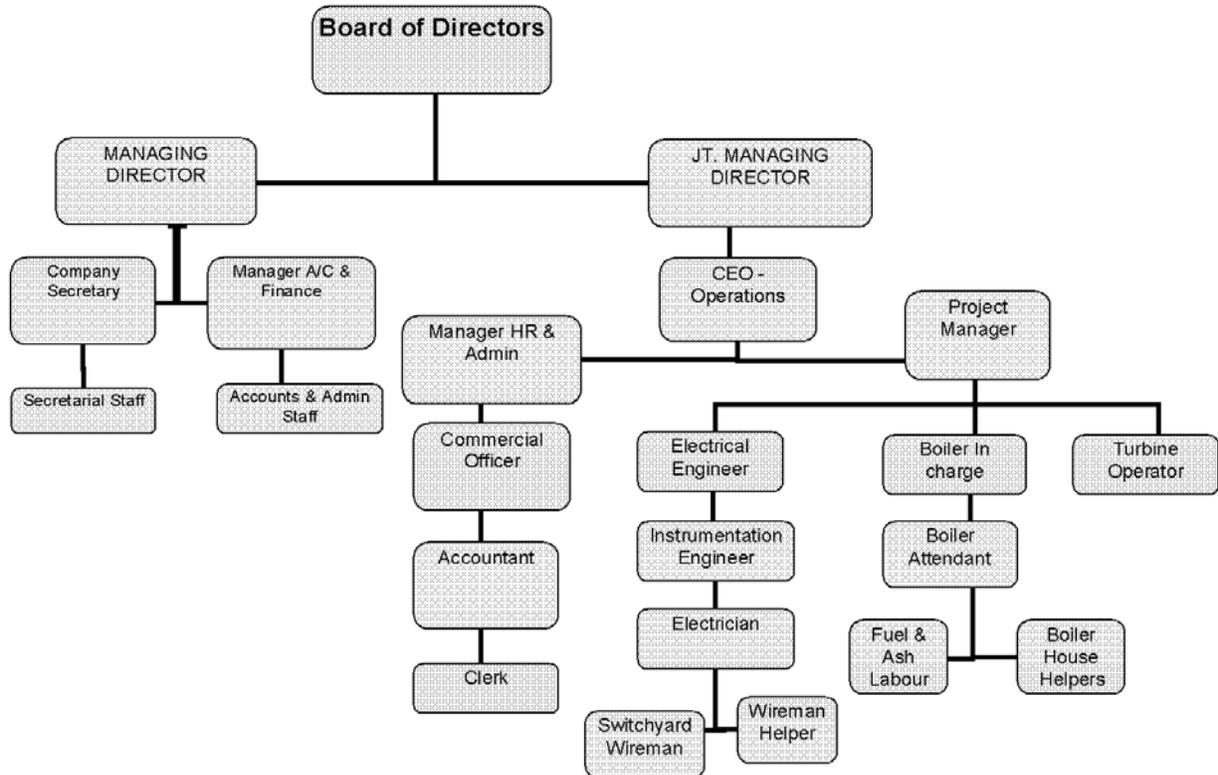
Changes in the Board of Directors during the last three years

The following changes have taken place in the Board of Directors of our Company during the last three years:

Name of the Director	Date of Appointment	Date of Cessation	Reasons
Mr. Vinod Kumar Chaturvedi	July 20, 2007	-	Appointment
Mr. Manoj Chaturvedi	July 20, 2007	-	Appointment
Mr. Ajay Prakash Arora	July 20, 2007	-	Appointment
Mr. Pandoo Naig	August 16, 2007	-	Appointment
Mr. Vijay Ranchan	April 7, 2008	-	Appointment
Mr. Rajagopal Srinivasachari	May 15, 2008	-	Appointment
Mr. Guru Prasad Kohli	September 30, 2008	-	Appointment

Organisation Structure

Our proposed organisation structure is as under:



Key Managerial Personnel

The Key Managerial Personnel of our Company, other than our Whole-time Directors are as follows:

Sr. No.	Name	Designation
1.	Mr. Nitin Sharma	Assistant project Manager
2.	Mr. Abhishek Dixit	Mechanical Engineer
3.	Mr. Ahmed Riyaz Khan	Engineer (Civil)
4.	Mr. Yogesh Chaturvedi	Manager - Accounts and Finance
5.	Ms. Shreya Ramkrishnan	Company Secretary and Compliance Officer

Note:

- All the Key Managerial Personnel mentioned above are on the payrolls of our Company as permanent employees.
- There is no understanding with major shareholders, customers, suppliers or others pursuant to which any of the above mentioned personnel have been recruited.

The details of our Key Managerial Personnel are set out below:

1. Mr. Nitin Sharma, Assistant Project Manager

Mr. Nitin Sharma, 34 years, is associated with our Company since February, 2008. He has a diploma in Electrical Engineering from Agra. He has 12 years of experience in his field and was previously employed in project execution with Elpro International Limited in Pune and Ginni Knit Processing. The remuneration paid to him in the Financial Year 2007-2008 was Rs. 40,833.

2. Mr. Abhishek Dixit, Mechanical Engineer

Mr. Abhishek Dixit, 23 years, is associated with our Company since April, 2008. He is a Bachelor of Technical Engineering(Mechanical) from Mathura. He has 8 months of experience in his field and was previously employed as Senior CAD engineer at CADD Centre. He has not been paid any remuneration in the Fiscal 2008.

3. Mr. Ahmad Riyaz Khan, Engineer(Civil)

Mr. Ahmad Riyaz Khan, 42 years, is associated with our Company since October, 2007. He is a Bachelor of Engineering (Civil) from Aligarh. He has 18 years of experience in construction of Industrial oil projects and real estate companies and was previously employed at M/s A.S. Construction, PWD Tam. Division, Mathura and many such reputed companies. The remuneration paid to him in the fiscal 2008 was Rs. 1,16,500.

4. Mr. Yogesh Chaturvedi, Manager(Accounts and Finance)

Mr. Yogesh Chaturvedi, 29 years, is associated with our Company since January, 2008. He is a Bachelor of Commerce from Ambedkar University, Agra and a Chartered Accountant. He has 8 years of experience in the field of accounts, finance and taxation and was previously employed at Shri Jee Mega Mart Private Limited and M/s Chaturvedi Sohan & Co. The remuneration paid to him in the fiscal 2008 was Rs. 75,000.

5. Ms. Shreya Ramkrishnan, Company Secretary and Compliance Officer

Ms. Shreya Ramkrishnan, 23 years, is associated with our Company since June, 2008. She is a Bachelor of Commerce from Mumbai University and is a Company Secretary. She was previously employed as Management Trainee at Larson & Turbo Limited. She is also the compliance officer of our Company. He has not been paid any remuneration in the Fiscal 2008.

All of the above are permanent employees of our Company.

Shareholding of our Key Managerial Personnel

None of the Key Managerial Employees named above hold any Equity Shares in our Company as on the date of the Draft Red Herring Prospectus.

Relation of the Key Managerial Personnel with our Promoters/Directors

None of our key managerial personnel are related to the Promoters or Directors of our Company within the meaning of Section 6 of the Companies Act, 1956.

Bonus or profit sharing plan for Key Managerial Personnel

Our Company does not have any bonus or profit-sharing plan for its key managerial personnel. Except as stated otherwise in the Draft Red Herring Prospectus, no amount or benefit has been paid or given or are intended to be given to any of our key managerial personnel except the normal remuneration for services rendered as directors, officers or employees.

Change in our Key Managerial Personnel

Changes in the Key Managerial Personnel of our Company in the last three years are as follows:

Sr. No.	Name of the Employee	Designation	/ Resignation	Reason for Change
1.	Mr. Nitin Sharma	Assistant Project Manager	February 11, 2008	Appointment
2.	Mr. Abhishek Dixit	Mechanical Engineer	April 2, 2008	Appointment
3.	Mr. Ahmed Riyaz Khan	Engineer(Civil)	October 10, 2007	Appointment
4.	Mr. Yogesh Chaturvedi	Manager(Accounts and Finance)	January 1, 2008	Appointment
5.	Ms. Shreya Ramkrishnan	Company Seretary, Compliance officer	June 25, 2008	Appointment

Interest of Key Managerial Personnel

All our Key Managerial Personnel may be deemed to be interested to the extent of the remuneration and other benefits in accordance with their terms of employment for services rendered as officers or employees to our Company. In addition to the aforesaid, no amount or benefit has been paid or given by our Com pany during the preceding year to any of our key managerial personnel.

Employees

We believe that a motivated and empowered employee base is integral to our competitive advantage. Our company has ten full-time employees as on July 31, 2008.

Employees Stock Option Scheme

Our Company does not have any Employee Stock Option Scheme or other similar scheme giving options in our Equity Shares to our employees.

Payment of Benefits to Officers of our Company

Except for payment of monetary and non-monetary benefits in accordance with the terms of employment or engagement, we have not paid any amount or given any benefit to any officer of our Company, nor is such amount or benefit intended to be paid or given to any officer as on the date of the Draft Red Herring Prospectus.

OUR PROMOTERS AND THEIR BACKGROUND

Our individual Promoters are Mr. Vinod Kumar Chaturvedi, Mr. Manoj Chaturvedi and our corporate Promoters are Usher Agro Limited and Transform Engineering Private Limited.



Mr. Vinod Kumar Chaturvedi

Driving License number: V-452/M/88
Passport number is E4502472
Permanent Account Number is AAAPC4940P
Voter ID number is not available



Mr. Manoj Chaturvedi

Driving License number: 2193/MR/2002
Passport number is A8528080
Permanent Account Number is AKEPP2014M
Voter ID number is not available

Promoters' Background

For more details on Mr. Vinod Kumar Chaturvedi and Mr. Manoj Chaturvedi, please refer to the chapter titled "*Our Management*" on page 71 of the Draft Red Herring Prospectus.

USHER AGRO LIMITED

PAN No.	AAACU1095N
Bank Account No.	174102000001427

Usher Agro Limited was incorporated on June 20, 1996, and is promoted by Mr. Vinod Kumar Chaturvedi and Mr. Manoj Chaturvedi. Presently, the company is engaged in milling and processing of paddy and wheat. UAL set up its first rice milling plant at Mathura (U.P) in 1996. In 1998-99 it expanded its milling capacity by setting up another rice mill unit at Mathura. It selected Buxar (Bihar) for further expansion of its business. UAL's Buxar plant commenced commercial production in November 2003. The Buxar plant is a fully automated plant with an installed capacity of 46,800 MTPA. UAL's Rice milling plant at Mathura (U.P) has an installed capacity of 10,800 MTPA. UAL currently produces raw white rice, par-boiled rice and steam rice of different grades of non-basmati rice, basmati rice and wheat products like atta, maida, suzi etc.

In September, 2006 UAL came out with an Initial Public Offer (IPO), of 1,20,12,000 equity shares of the face value of Rs. 10 each at a premium of Rs. 5 per share for cash aggregating to Rs. 1801.80 Lacs, to part finance its wheat roller flour mill, modernization of existing rice mill at Mathura and setting up a 1 MW cogeneration power project for captive consumption.

During the year 2006-07, UAL set up a wheat roller flourmill at Mathura with an installed capacity of 75,000 MTPA to produce atta, maida, suji and bran. The said project commenced production in November 2006. As on June 30, 2007 the installed capacity of rice and wheat is 57,600 and 75,000 MTPA respectively. UAL is in the process of implementing a 194400 MTPA paddy milling plant at Chhata, Mathura.

Its sales have increased from Rs. 101 lacs in the first year of operation (1996-97) to over Rs. 6,959 lacs in the year 2006-07 reflecting a CAGR of 47% and profit after tax (PAT) grew from Rs. 3.01 lacs to Rs. 388 lacs, during the

same period, reflecting a CAGR of 55%. In last three years, UAL's sales grew from Rs. 3,310 lacs in the year 2004-05 to Rs. 6,959 lacs in the year 2006-07 registering a CAGR of 28% and profit after tax grew from Rs. 98.12 lacs to Rs. 388 lacs reflecting a CAGR of 58% during the same period. Growth in turnover is mainly attributable to increase in installed capacity and better utilization thereof.

Major customers of UAL, include Government agencies like Food Corporation of India (Buxar), Regional Food Controller (Agra), Senior Marketing Inspection (Department of Food and Civil Supplies, U.P. Government), which contribute majority of its rice sales. UAL sells its products (other than levy rice) to wholesalers, bulk purchasers, among others, under the brand name of "RASOI RAAJA", which is its registered trade mark. UAL has quality certification of ISO 9001:2000 and Hazard Analysis and Critical Control Point (HACCP) management system certificate from IIC, Korea.

Shareholding Pattern of UAL as on September 30, 2008 as filed with the stock exchange, where UAL's equity shares are listed

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a percentage of(A+B)	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group					
1	Indian					
(a)	Individuals/ Hindu Undivided Family	3	67,22,500	67,22,500	37.32	37.32
(b)	Central Government/ State Government(s)					
(c)	Bodies Corporate					
(d)	Financial Institutions/ Banks					
(e)	Any Others (Specify)					
	Sub Total(A)(1)	3	67,22,500	67,22,500	37.32	37.32
2	Foreign					
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0	0
b	Bodies Corporate	0	0	0	0	0
c	Institutions	0	0	0	0	0
d	Any Others(Specify)	0	0	0	0	0
	Sub Total(A)(2)	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	3	67,22,500	67,22,500	37.32	37.32
(B)	Public shareholding					
1	Institutions					
(a)	Mutual Funds/ UTI					
(b)	Financial Institutions / Banks	2	4,589	4,589	0.025	0.03
(c)	Central Government/ State Government(s)					
(d)	Venture Capital Funds					
(e)	Insurance Companies					
(f)	Foreign Institutional Investors	5	27,62,679	27,62,679	15.34	15.34
(g)	Foreign Venture Capital Investors					

(h)	Any Other (specify)					
	Sub-Total (B)(1)	7	27,67,268	27,67,268	15.36	15.36
B 2	Non-institutions					
(a)	Bodies Corporate	294	35,89,650	35,89,650	19.93	19.93
(b)	Individuals					
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	4040	14,00,840	14,00,735	7.78	7.78
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	20	11,83,115	11,83,115	6.57	6.57
(c)	Any Other (specify) NR			0	0.00	0.00
(c-i)	NSDL (Transit)	131	5,26,272	5,26,272	2.92	2.92
(c-ii)	Trusts	1	100	100	0.00	0.00
(c-iii)	Overseas Bodies Corporates	0	0	0	0.00	0.00
(c-iv)	Societies	0	0	0	0.00	0.00
(c-v)	KARTA / HUF	92	34,680	34,680	0.19	0.19
(c-vi)	NRI	19	17,87,814	17,87,814	9.93	9.93
	Sub-Total (B)(2)	4597	85,22,471	85,22,366	47.31	47.31
	Total Public Shareholding (B)=(B)(1)+(B)(2)	4604	1,12,89,739	1,12,89,634	62.68	62.68
	TOTAL (A)+(B)					
(C)	Shares held by Custodians and against which Depository Receipts have been issued					
	GRAND TOTAL (A)+(B)+(C)	4607	1,80,12,239	1,80,12,134	100	100

Note: UAL had 4,607 shareholders as on September 30, 2008

Board of Directors of UAL as on June 30, 2008

Name of Directors	Designation
Mr. Vinod Kumar Chaturvedi	Managing Director
Mr. Manoj Chaturvedi	Whole-time Director
Mr. Ajay Prakash Arora	Director
Dr. Sri Prakash Arora	Director
Mr. Vijay Ranchan (IAS Retd)	Director
Major General(Retd) Vinod Khanna	Director
Mr. Pandoo Naig	Director
Mr. Edwin Fernandes	Nominee Director, IDBI Limited

Financial Performance

The audited financial performance of UAL for FY 2007, FY 2006 and FY 2005 is as given below:

Rs. in Lacs (except per share data)

Particulars	Year Ended June 30, 2007	Year Ended June 30, 2006	Year Ended June 30, 2005
Sales and other income	6972.71	3854.04	3316.12
Profit/(Loss) after tax	388.00	161.84	98.13
Equity capital (face value Rs. 10 per share)*	1801.22	600.00	600.00
Reserves and Surplus	1336.61	468.31	306.48

Earnings per share (Rs.)*	2.58	2.70	1.64
Book value per equity share (Rs.)*	16.66	17.34	14.78

* The share data based on face value of Rs. 10 per equity share.

Share Quotation:

i. Highest and Lowest price of UAL on the BSE in the last six (6) months:

Month	High (Rs.)	Low (Rs.)
February 2008	196.40	137.00
March 2008	183.00	135.05
April 2008	217.40	156.00
May 2008	192.00	130.10
June 2008	156.50	121.15
July 2008	146.00	88.20
August 2008	148.80	105.35
September 2008	199.75	118.40

Closing share price on BSE as on October 17, 2008 is Rs. 138.90.

Market Capitalization on the BSE as on October 17, 2008 was Rs. 25,018.99 lacs.

Promise v Performance

Details of the last public / rights issue made by UAL:

Issue details	Issue size (Rs. Lacs)	Timing of Issue
Issue of 1,20,12,000 equity shares of Rs. 10 each at a premium of Rs. 5 per share to the Shareholders	1,801.80 Lacs	Issue opened on: September 05, 2006 Issue closed on: September 11, 2006

UAL's initial public offering of 1,20,12,000 equity shares of the face value of Rs. 10 each at a premium of Rs. 5 per share for cash aggregating to Rs. 1,801.80 Lacs, which is its last public / rights issue was made in September 05, 2006 with an object to part finance our wheat roller flour mill at an estimated cost of Rs. 1,000.26 Lacs, modernization of existing rice mill at Mathura at an estimated cost of Rs. 413.75 Lacs and setting up of a 1 MW cogeneration power project for captive consumption at an estimated cost of Rs. 345.18 Lacs. The said objects were achieved.

Wheat roller flour mill:

	Projections	Actual	Remarks
Capacity	75,000	75,000 MTPA	Delayed due to late delivery of imported rolls.
Commencement of Commercial Production	September 2006	November 2006	
Cost of the Project	Rs. 1000.26 Lacs	Rs. 1000.26 Lacs	

Modernisation of existing rice mill:

	Projections	Actual	Remarks
Capacity	-	-	To limit the adverse impact of ongoing rice season, fabrication and modernisation was slowed
Commencement of Commercial Production	January 2007	July 2007	

Cost of the Project	Rs. 413.75 Lacs	Rs. 445.16 Lacs	down.
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Setting up of 1MW cogeneration power project:

	Projections	Actual	
Capacity	1MW	1MW	For increased efficiency and less husk consumption, packaged boiler was changed to high pressure boiler, which being a long delivery equipment, resulted in delay of project and increase in cost.
Commencement of Commercial Production	January 2007	September 2008	
Cost of the Project	Rs. 345.18 Lacs	Rs. 394.28 Lacs	

Mechanism for redressal of investor grievance

UAL's philosophy on corporate governance is to ensure that information disclosure to present and potential investor is maximized, to ensure that the directors, employees and all concerned are fully committed to maximizing long term value of its shareholders and the company.

The Company has appointed Investor Services of India Limited as the Registrar and Transfer Agent, who has been entrusted with responsibility of redressal of investor grievances and servicing the investors.

Besides, the Board has constituted the Shareholders' Grievance Committee as per the guidelines set out in listing agreement entered into between UAL and the Stock Exchanges that *inter alia* includes redressing investors' complaints regarding transfer of shares, non-receipt of any correspondence from the Company etc. The Committee also oversees the performance of the Registrar & Transfer Agents and recommends measures for the overall improvement of the quality of the investor services.

FY 2006-2007

During this year UAL had received 31 references out of which all 31 references were resolved till March 31, 2007. Further, during the year UAL received no transfer requests in respect of any shares.

FY 2007-2008

During the year, UAL received 3 references from the shareholders, of which all 3 references were resolved / addressed till March 31, 2008. During the year UAL received 17 transfer requests in respect of 20,30,800 shares. All 17 transfer requests relating to 20,30,800 shares were processed till March 31, 2008.

There are no defaults in meeting any statutory/bank/institutional dues/obligations. No proceedings have been initiated for economic offences against Usher Agro Limited.

There are no pending litigations, defaults, etc against Usher Agro Limited Limited except for those mentioned in the chapter "*Outstanding Litigations, Material Developments and Other Disclosures*" beginning on page 131 of the Draft Red Herring Prospectus.

The above company is neither a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1995 nor under winding up.

TRANSFORM ENGINEERING PRIVATE LIMITED ("TEPL")

PAN No.	AACCT3345E
	745793321

TEPL was incorporated on October 20, 2005. The registered office of TEPL is situated at 22, Rajabhadur Mansion, Above George Restaurant, Opposite SBI Main Branch, B.S. Marg, Fort, Mumbai 400 023, Maharashtra. The CIN of

TEPL is U28299MH2005PTC156905. As stated in the main objects contained in its memorandum of association this company is permitted to carry on the business of manufacturing and distributing all types of engineering machinery and equipments.

As on date of the Draft Red Herring Prospectus, TEPL is not engaged in any business.

Shareholding Pattern

The shareholding pattern of this company as on the date of the Draft Red Herring Prospectus with SEBI is as under:

Sr. No.	Name of Shareholders		Percentage Shareholding (%)
1.	Mr. Gautam Deshpande	5,000	50.00
2.	Mrs. Sowmya Deshpande	5,000	50.00
	Total	10,000	100.00

Promoters of TEPL

TEPL is promoted by:

Mr. Gautam Deshpande, aged 34 years is qualified as BDS. He is practicing Dentist. He is also engaged in financial advisory services. He is a director on the board of Pearl Financial Advisors Private Limited and Sowgau Estates Private Limited.

Mrs. Sowmya Deshpande, aged 31 years is qualified as BDS. She is practicing Dentist. She is also engaged in financial advisory services. Apart from being a director on the board of TEPL, she is also a director on the board of Pearl Financial Advisors Private Limited and Sowgau Estates Private Limited.

Board of Directors

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

Sr. No.	Name of the Director
1.	Mr. Pandoo Naig
2.	Mrs. Sowmya Deshpande

Financial Performance

The audited financial performance of this company for last three years is as below:

Particulars	Year Ended March 31, 2008	March 31, 2007	Year Ended March 31, 2006
Sales and Other Income	[•]	-	-
Profit/(Loss) after tax	(0.0037)	-	-
Equity Capital (including share application money)	251.00	1.00	1.00
Reserves and Surplus	[•]	-	-
Earning Per Share (in Rs.)	(0.037)	-	-
Book Value Per Share (in Rs.)	8.55	8.55	8.78

TEPL is not listed in any of the stock exchanges in India or abroad and has not made any public /rights issue of its shares. Further, no action has been taken against the company by any stock exchange or SEBI.

There are no defaults in meeting any statutory/bank/institutional dues/obligations. No proceedings have been initiated for economic offences against TEPL.

There are no pending litigations, defaults, etc against TEPL

The above company is neither a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1995 nor under winding up.

We confirm that the Permanent Account Number, bank account number and passport number of our Individual Promoters will be submitted to BSE and NSE at the time of filing the Draft Red Herring Prospectus with them. We confirm that the Permanent Account Number, bank account number, the Company Registration Number and the addresses of the Registrars of Companies where our Corporate Promoters are registered will be submitted to BSE and NSE at the time of filing the Draft Red Herring Prospectus with them.

Interest of Promoters

All our Promoters are interested in the promotion of our Company and are also interested to the extent of their shareholding of Equity Shares from time to time, for which they are entitled to receive the dividend declared, if any, by our Company.

Our Promoters are interested in our Company to the extent of their shareholding in our Company and the dividend they are entitled to receive, if declared, by our Company. For the payments that are made by our Company to certain Promoter Group Companies, please refer to the paragraph titled “*Related party relationships & transactions with the related parties*” on page 116 of the Draft Red Herring Prospectus. Our individual Promoters Mr. Vinod Kumar Chaturvedi and Mr. Manoj Chaturvedi may also be deemed to be interested to the extent of remuneration and/or reimbursement of expenses payable to them under the Articles/ their respective terms of appointment. Our Promoter Usher Agro Limited is deemed to be interested in the rent received towards the Leave and License Agreement entered into between our Company and Usher Agro Limited.

Except as stated otherwise in this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two (2) years from the date of this Draft Red Herring Prospectus in which our Promoter(s) are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

Further, except as disclosed in this chapter, the section titled “Risk Factors” and the chapter titled “*Our Promoter Group Entities*” beginning on pages xiii and 94 respectively of the Draft Red Herring Prospectus, our Promoter does not have any interest in any venture that is involved in any activities similar to those conducted by us.

Companies from which our Promoter has disassociated itself during the preceding three (3) years

Our Promoters have not disassociated themselves from any company in the three years preceding the date of the Draft Red Herring Prospectus.

Common Pursuits

Our Corporate Promoters are not engaged in businesses similar or competing with our Company. However, our Promoter, UAL has set up a 1 MW cogeneration power plant utilizing paddy husk for captive consumption at Mathura.

Payment or Benefit to our Promoters

Except as stated in the paragraph titled “*Related party relationships & transactions with the related parties*” on page 116 of the Draft Red Herring Prospectus, there has been no payment of benefits to our Promoters during the two (2) years prior to the filing of the Draft Red Herring Prospectus.

Related Party Transactions

For details on our related party transactions, please refer to the paragraph titled “*Related party relationships & transactions with the related parties*” on page 116 of the Draft Red Herring Prospectus.

OUR PROMOTER GROUP

In terms of Explanation II to Clause 6.8.3.2 of the DIP Guidelines, the following persons form part of our Promoter Group.

1. Natural persons forming part of our Promoter Group (due to relationship with the Promoters)

Relationship	Promoter	
	Mr. Vinod Kumar Chaturvedi	Mr. Manoj Chaturvedi
Father	Mr. Murarilal Chaturvedi	Mr. Murarilal Chaturvedi
Mother	Mrs. Rama Chaturvedi	Mrs. Rama Chaturvedi
Brother	Mr. Manoj Chaturvedi	Mr. Vinod Kumar Chaturvedi
Sister	Mrs. Meena Chaturvedi	Mrs. Meena Chaturvedi
Spouse	Mrs. Samta Chaturvedi	Mrs. Shimla Chaturvedi
Children	Mr. Shreyash Chaturvedi, Ms. Shruti Chaturvedi	Mr. Sudhanshu Chaturvedi, Ms. Sakshi Chaturvedi
Spouse's Father	Mr. Nand Kishore Chaturvedi	Mr. Umesh Chandra Chaturvedi
Spouse's Mother	Mrs. Shankuntala Chaturvedi	Mrs. Moti Chaturvedi
Spouse's Brother	Mr. Lalit Chaturvedi	Mr. Sanjeev Chaturvedi
Spouse's Sister	-	Mrs. Anupam Chaturvedi

2. In case the Promoter is an Individual

Relationship	Mr. Vinod Kumar Chaturvedi	Mr. Manoj Chaturvedi
Any company in which 10% or more of the share capital is held by the promoter or a firm or HUF in which the promoter or any one or more of his immediate relatives is a member	Usher Agro Limited Vedika Finance Private Limited Narayani Nivesh Nigam Private Limited Usher Oils & Foods Limited Usher Logistic Limited Usher Capitals Limited	Usher Agro Limited Narayani Nivesh Nigam Private Limited
Any company in which a company (mentioned above) holds 10% of the total holding	None	None
Any HUF or firm in which the aggregate share if the promoter and his immediate relatives is equal to or more than 10% of the total holding	None	None

3. In case the Promoter is a corporate

Relationship	Usher Agro Limited	Limited
A subsidiary or holding company of that company	None	None
Any company in which the promoter holds 10% or more of the equity capital or which holds 10% or more of the equity capital of	None	None

Relationship	Usher Agro Limited	Transform Engineering Private Limited
the promoter		
any company in which a group of individuals or companies or combinations thereof who holds 20% or more of the equity capital in that company also holds 20% or more of the equity capital of the issuer company	None	None

OUR PROMOTER GROUP ENTITIES

1. Vedika Finance Private Limited

Brief History

Vedika Finance Private Limited (“VFPL”) was incorporated on April 9, 1992 vide registration No. 11-66289. The registered office of VFPL is at 212 Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai 400 053.

Nature of Activities

The main objects of VFPL allow the company to perform and undertake activities pertaining to lending and financing including housing finance and financing against securities and bills discounting and to finance industrial enterprises and to lend money either with or without security to such person or bodies corporate and upon such terms and conditions as the company may think fit.

Shareholding pattern as on September 30, 2008

Sr. No.	Name of the shareholder	No. of Equity Shares	% of total shareholding
1.	Mr. Vinod Kumar Chaturvedi	37,500	62.50
2.	Mrs. Samta Chaturvedi	12,800	21.33
3.	Ms. Shruti Chaturvedi	9,700	16.17
	TOTAL	60,000	100.00

Board of Directors as on September 30, 2008

Name of Directors	Designation
Mr. Vinod Kumar Chaturvedi	Director
Mr. Manoj Chaturvedi	Director

Financial Performance

The audited financial performance of VFPL for FY 2006, FY 2007 and FY 2008 is as given below:

Rs. in Lacs (except per share data)

Particulars	Year Ended March 31, 2008	Year Ended March 31, 2007	Year Ended March 31, 2006
Sales and other income	18.28	(0.97)	9.59
Profit/(Loss) after tax	14.57	(1.04)	4.78
Equity share capital	6.00	6.00	6.00
Preference share capital	8.00	8.00	8.00
Reserves and Surplus	15.80	1.23	2.26
Earnings per share	24.28	(1.73)	3.41
Book value per equity share	36.33	12.04	1.61

VFPL is not listed in any of the stock exchanges in India or abroad and has not made any public /rights issue of its shares. Further, no action has been taken against the company by any stock exchange or SEBI.

VFPL does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

VFPL does not have negative net worth.

2. Narayani Nivesh Nigam Private Limited

Brief History

Narayani Nivesh Nigam Private Limited (“NNNPL”) was incorporated on January 4, 2008 having Corporate Identity No. U67100MH2008PTC177327. The present registered office of the company is at 212 Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai 400 053.

Nature of Activities

The main objects of NNNPL allows the company to act as investment counselors in for investments in different areas and to make investment in shares and securities, moveable or immovable properties and to undertake all other investment related activities and also to carry on the business as financiers, underwriters, finance and guarantee brokers, investment adviser and to undertake, carry on and execute all kinds of financial business.

Shareholding pattern as on September 30, 2008

Sr. No.	Name of the shareholder	No. of Equity Shares	% of total shareholding
1.	Mr. Vinod Kumar Chaturvedi	5,000	50.00
2.	Mr. Manoj Chaturvedi	5,000	50.00
	Total	10,000	100.00

Board of Directors as on September 30, 2008

Name of Directors	Designation
Mr. Vinod Kumar Chaturvedi	Director
Mr. Manoj Chaturvedi	Director

Financial Performance

Since this is the first year of incorporation of the company, there are no financial statements prepared.

NNNPL is not listed in any of the stock exchanges in India or abroad and has not made any public /rights issue of its shares. Further, no action has been taken against the company by any stock exchange or SEBI.

NNNPL does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

NNNPL does not have negative net worth.

3. Usher Logistic Limited

Brief History

Usher Logistic Limited (“ULL”) was incorporated on February 20, 2008 having Corporate Identity No. U63000MH2008PLC179148. The present registered office of the company is at 212 Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai 400 053.

Nature of Activities

The main objects of ULL allows the company to engage in and carry on anywhere in India or abroad the business of logistics service, transport, custody & warehousing of merchandise, goods & materials & to provide cold storage & other special storage facilities.

Shareholding pattern as on September 30, 2008

Shareholder	No. of Shares Held	% Holding
Mr. Vinod Kumar Chaturvedi	49,400	98.80
Mrs. Rutika Pawar	100	0.20
Mr. Yogesh Chaturvedi	100	0.20
Mr. Rajesh Malpani	100	0.20
Ms. Sangeeta Kumbhar	100	0.20
Mr. Dharmendra Jaiswal	100	0.20
Mr. Anil Singh	100	0.20
Total	50,000	100.00

Board of Directors as on September 30, 2008

Name of Directors	Designation
Mr. Vinod Kumar Chaturvedi	Director
Mr. Manoj Chaturvedi	Director
Mr. Pandoo Naig	Director

Financial Performance

Since this is the first year of incorporation of the company, there are no financial statements prepared.

ULL is not listed in any of the stock exchanges in India or abroad and has not made any public /rights issue of its shares. Further, no action has been taken against the company by any stock exchange or SEBI.

ULL does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

ULL does not have negative net worth.

4. Usher Oils & Foods Limited

Brief History

Usher Oils & Foods Limited (“UOFL”) was incorporated on February 20, 2008 having Corporate Identity No. U15400MH2008PLC179155. The present registered office of the company is at 212 Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai 400 053.

Nature of Activities

The main objects of UOFL allows the company to carry on the business of miller or to erect, construct, establish, acquire on lease, hire or otherwise factory or factories or mill for manufacturing, processing and for refining oil of all varieties of vegetable oils, vegetable ghee, butter solvent extraction plant to extract oil from oil seeds of all varieties.

Shareholding pattern as on September 30, 2008

Sr. No.	Name of the shareholder	No. of Equity Shares	% of total shareholding
1.	Mr. Vinod Kumar Chaturvedi	49,400	98.80
2.	Mrs. Rutika Pawar	100	0.20
3.	Mr. Yogesh Chaturvedi	100	0.20
4.	Mr. Rajesh Malpani	100	0.20
5.	Ms. Sangeeta Kumbhar	100	0.20
6.	Mr. Dharmendra Jaiswal	100	0.20
7.	Mr. Anil Singh	100	0.20
	Total	50,000	100.00

Board of Directors as on September 30, 2008

Name of Directors	Designation
Mr. Vinod Kumar Chaturvedi	Director
Mr. Manoj Chaturvedi	Director
Mr. Pandoo Naig	Director

Financial Performance

Since this is the first year of incorporation of the company, there are no financial statements prepared.

UOFL is not listed in any of the stock exchanges in India or abroad and has not made any public /rights issue of its shares. Further, no action has been taken against the company by any stock exchange or SEBI.

UOFL does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

UOFL does not have negative net worth.

5. Usher Capitals Limited

Brief History

Usher Capitals Limited ("UCL") was incorporated on April 29, 2008 having Corporate Identity No. U67190MH2008PLC181733. The present registered office of the company is at 212 Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai 400 053.

Nature of Activites

The main objects of UCL allows the company to promote the formation and mobilization of capital, to manage capital savings and investment, consultancy assignments, factoring, consumer financing, foreign exchange broking and securities dealing.

Shareholding pattern as on September 30, 2008

Sr. No.	Name of the shareholder	No. of Equity Shares	% of total shareholding
1.	Mr. Vinod Kumar Chaturvedi	49,400	98.80
2.	Mrs. Rutika Pawar	100	0.20
3.	Mr. Yogesh Chaturvedi	100	0.20
4.	Mr. Rajesh Malpani	100	0.20
5.	Ms. Sangeeta Kumbhar	100	0.20

6.	Mr. Dharmendra Jaiswal	100	0.20
7.	Ms. Monika Malpani	100	0.20
	Total	50,000	100.00

Board of Directors as on September 30, 2008

Name of Directors	Designation
Mr. Vinod Kumar Chaturvedi	Director
Mr. Manoj Chaturvedi	Director
Mr. Pandoo Naig	Director

Financial Performance

Since this is the first year of incorporation of the company, there are no financial statements prepared.

UCL is not listed in any of the stock exchanges in India or abroad and has not made any public /rights issue of its shares. Further, no action has been taken against the company by any stock exchange or SEBI.

UCL does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

UCL does not have negative net worth.

Details of our Promoter Group Companies whose names have been struck off from Registrar of Companies

None of our Promoter Group Companies have been struck off the record of Registrar of Companies as “defunct companies”. Further except as mentioned hereinabove, none of our Promoter Group Companies have made losses in the preceding one (1) year.

Promoter Group Companies referred to BIFR/ under winding up/having negative net worth

None of our Promoter Group Companies have been referred to BIFR / are under winding up / have negative net worth.

Related Party Transactions

For details on our related party transactions please refer to the paragraph titled “*Related party relationships & transactions with the related parties*” on page 116 of the Draft Red Herring Prospectus.

Details of public issue / rights issue of capital in the last three (3) years

Except for UAL, which made a public offer of its equity shares in September 2006, none of our Promoter Group Companies have made a public issue/rights issue in the last three (3) years.

Sale or Purchase between our Company and Group Companies

Other than as disclosed under “*Related party relationships & transactions with the related parties*” on page 116 of the Draft Red Herring Prospectus, there have been no sales or purchases between our Company and Group Companies with the Promoter Group.

Common Pursuits

There are no companies in our Promoter Group that are engaged in businesses similar or competing with our Company.

Changes in Accounting Policies

There have been no significant changes in accounting policies of our Promoter Group Companies, other than as mentioned above.

SECTION VI – FINANCIAL STATEMENTS

AUDITORS' REPORT AND FINANCIAL INFORMATION OF OUR COMPANY

The Board of Directors
Usher Eco Power Limited

Subject: Proposed Public Issue

Dear Sirs,

We have examined the financial information of Usher Eco Power Limited (the “Company”) annexed to this report which has been prepared in accordance with the requirements of:

- i) Paragraph B (1) of Part II of Schedule II of the Companies Act, 1956 (the Act), and the amendments thereof;
- ii) The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 (the Guidelines) issued by the Securities and Exchange Board of India (SEBI) and amendments made thereto from time to time in pursuance of section 11 of the Securities and Exchange Board of India Act, 1992; and
- iii) The instruction received from the Company requesting to examine the financial information referred to above and proposed to be included in the letter of Offer of the Company in connection with its proposed Initial Public Offer (IPO).

Financial Information of the Company

1. We have examined the attached statement of Restated Assets & Liabilities of the Company as at 30th September, 2008 & 31st March, 2008 (**Annexure - I**) and accompanying statement of Restated Profit & Loss of the Company for the period ended 30th September, 2008 & 31st March, 2008 (**Annexure – II**) as prepared by the Company and approved by the Board of Directors. These statements reflect the assets and liabilities and Profit and Loss for the period ended 30th September, 2008 & 31st March, 2008 as extracted from the balance sheet and profit and loss account for the period ended 30th September, 2008 & 31st March, 2008 audited by us. These statements have been made after making such adjustments and regroupings, as in our opinion, are appropriate and are described fully in the Notes appearing in Annexure IV to this report.
2. Based on our examination of these summary statements, we confirm that:
 - There are no qualifications in the auditors’ report that require an adjustment in the Restated Summary Statements.
 - The impact of extra-ordinary items, if any, has been separately disclosed in the attached Summary Statements.
3. We have examined the Statement of Dividend paid by the Company on equity shares in respect of the period ended 30th September, 2008 & 31st March, 2008 as disclosed in **Annexure V**. We confirm that the Company has no other class of issued and paid-up shares during this period.
4. We have examined the following financial information relating to the Company prepared by the management and approved by the Board of Directors for the purpose of inclusion in the Offer document:

- i. Details of Other Income as appearing in **Annexure VI** to this report.
- ii. Accounting Ratios as appearing in **Annexure VII** to this report.
- iii. Capitalization Statement as appearing in **Annexure VIII** to this report.
- iv. Statement of Tax Shelter as appearing in **Annexure IX** to this report.
- v. Statement of Secured Loans as appearing in **Annexure X** to this report.
- vi. Statement of Unsecured Loans as appearing in **Annexure XI** to this report.
- vii. Details of Investments as appearing in **Annexure XII** to this report.
- viii. Details of Debtors as appearing in **Annexure XIII** to this report.
- ix. Details of Loans & Advances as appearing in **Annexure XIV** to this report.
- x. Details of Contingent Liabilities and Capital Commitments as appearing in **Annexure XV** to this report.
- xi. Details of Related Party Relationship & Transactions with related parties as appearing in **Annexure XVI** to this report.
- xii. Cash Flow Statement as restated as appearing in **Annexure XVII** to this report.

In our opinion the above financial information of the Company, read with Significant Accounting Policies enclosed in **Annexure III** to this report, after making such adjustments / restatements and regroupings as considered appropriate, as stated in Notes to Accounts enclosed in **Annexure- IV**, has been prepared in accordance with Part II of Schedule II of the Act and the Guidelines.

This report should not be in any way construed as a reissuance or redating of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial statements referred to herein.

This report is intended solely for your information and for inclusion in the Offer document in connection with the proposed IPO of the Company and is not be used, referred to or distributed for any other purpose without our prior written consent.

For Haribhakti & Co.
Chartered Accountants

Chetan Desai
Partner
Membership No: 17000

PLACE: Mumbai
DATE: October 10, 2008

FINANCIAL INFORMATION

Annexure – I

Summary of Assets and Liabilities – Restated

(Amount in Rs.)

Particulars	As at 30 September, 2008	March, 2008	As at 31 st March, 2007	As at 31 st March, 2006	As at 31 st March, 2005
Fixed Assets					
I. Completed Assets					
Gross Block	37,759,632	37,691,200	-	-	-
Less: Depreciation	37,705	8,013	-	-	-
Net Block	37,721,927	37,683,187	-	-	-
II. Capital Work in progress	973,289	-	-	-	-
III. Capital Advance	4,776,700	337,080	-	-	-
IV. Pre Operative Expenses	9,437,092	2,635,892	-	-	-
Sub Total (A)	52,909,008	40,656,159	-	-	-
B. Investments	-	-	-	-	-
Current Assets, Loans and Advances					
Inventories	-	-	-	-	-
Sundry Debtors	-	-	-	-	-
Cash and Bank balances	9,561,159	2,752,949	-	-	-
Loans and Advances	6,389,313	2,222,660	-	-	-
Sub Total (C)	15,950,472	4,975,609	-	-	-
Less: Liabilities & Provisions					
Secured Loans	-	-	-	-	-
Unsecured Loans	-	-	-	-	-
Current Liabilities	4,719,741	1,270,667	-	-	-
Provisions	6,913	1,275	-	-	-
Share Application Money	-	28,390,000	-	-	-
Sub Total (D)	4,726,654	29661942	-	-	-
Net Worth (A+B+C-D)	64,132,825	15,969,826	-	-	-
Represented by					
Share Capital	64,863,000	16,700,000	-	-	-
Reserves & Surplus	-	-	-	-	-
Less: Miscellaneous Expenditure not written off	(511,121)	(584,139)	-	-	-
Less: Profit and Loss Account	(219,053)	(146,035)	-	-	-
Net Worth	64,132,825	15,969,826	-	-	-

Annexure – II

Statement of Profit & Loss - Restated

(Amount in Rs.)

Particulars	For the period ended 30th September 2008	For the period ended 31st March 2008	For the period ended 31st March 2007	For the period ended 31st March 2006	For the period ended 31st March 2005
Income					
Net sales of products manufactured by the Company	-	-	-	-	-
Other Income	-	-	-	-	-
Increase / (Decrease) in Stock	-	-	-	-	-
Total	-	-	-	-	-
Expenditure					
Raw Material consumed	-	-	-	-	-
Staff Costs	-	-	-	-	-
Other Manufacturing Expenses	-	-	-	-	-
Administration Expenses	-	-	-	-	-
Selling and Distribution Expenses	-	-	-	-	-
Interest	-	-	-	-	-
Depreciation	-	-	-	-	-
Preliminary Expenses written off	73,018	146,035	-	-	-
Total	(73,018)	(146,035)	-	-	-
Net Profit/ (Loss) before Extra Ordinary Items & Tax	(73,018)	(146,035)	-	-	-
Current tax	-	-	-	-	-
Net Profit/ (Loss) before Extra Ordinary Items	(73,018)	(146,035)	-	-	-
Less: Extra Ordinary Items	-	-	-	-	-
Net Profit/Loss After Extra Ordinary Items	(73,018)	(146,035)	-	-	-

Accounting Policies

Significant Accounting Policies

The Financial statements are prepared in accordance with applicable Generally Accepted Indian Accounting Standards. A summary of the more-important accounting policies, which have been applied consistently, is set out below:

1. Basis of Preparation of Financial Statements

The Financial statements are prepared on an accrual basis, following the historical cost convention and in accordance with the Generally Accepted Accounting principles and Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 1956 to the extent applicable and in the manner so required. These accounting policies and standards have been consistently applied to the extent applicable and in the manner so required.

2. Treatment of expenditure during construction period

Expenditure during construction period is included under Pre-Operative Expenditure and the same will be allocated to the respective Fixed Assets upon completion of construction.

3. Fixed Assets and Depreciation

Fixed Assets are stated at cost. All expenditure pertaining to project under construction and other preoperative expenses incurred during the construction period unless otherwise stated, are capitalized till the commencement of Production /till the date assets are put in use.

Depreciation on fixed assets is provided on pro rata basis as per straight line method at the rate and manner specified in Schedule XIV of the Companies Act, 1956.

4. Preliminary Expenses

Preliminary expenses are amortised over a period of Five years.

5. Contingent Liabilities

All known liabilities, wherever material, are provided for and liabilities, which are material and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent and disclosed by way of Notes on Accounts.

Notes To Accounts

1. The Company has been incorporated on 20th July, 2007.
2. Some of the balances of Creditors, Loans & Advances are subject to confirmation and reconciliation, if any.
3. The Company has incurred expenses aggregating to Rs.4,339,313/- upto September 30, 2008 in connection with its proposed Initial Public Offer. In terms of Section 78 of the Companies Act, 1956, the management proposes to adjust the same with the Securities Premium amount to be received against the issue and hence, the same have not been expensed off.

4. **Remuneration to Directors**

(Amount in Rs.)

Remuneration to Managing Director & Joint Managing Director	For the period ended September 30, 2008	For the period ended March 31, 2008
Salary	1,60,000	-
Other Perquisites	-	-

5. Share Capital Movement:

(a) Increase in Authorised Share Capital:

In view of the proposed Initial Public Offer of the Company, the members in its Annual General Meeting held on June 27, 2008 approved increase in Authorised Share Capital of the Company from Rs. 6 crores to Rs. 25 crores.

(b) Further issue and allotment to Promoters and Associate:

Pursuant to the resolution passed under the provision of Section 81(1A) of the Companies Act, 1956 at Annual General Meeting held on June 27, 2008, the Company has issued and allotted 4,816,300 equity shares of Rs. 10/- each for cash at par to Promoters and their Associate.

6. Adjustments and regroupings in Restated financial statements NIL

Annexure V

Statement Of Dividend Paid

(Amount in Rs.)

Particulars	For the period ended 30th September 2008	For the period ended 31st March 2008	For the period ended 31st March 2007	For the period ended 31st March 2006	For the period ended 31st March 2005
Equity Shares Face Value Rs./Share	10/-	10/-	-	-	-
Paid-up Equity Share Capital	64,863,000	16,700,000	-	-	-
Final Dividend					
Per share Rs.	-	-	-	-	-
Amount	-	-	-	-	-
Tax on Dividend	-	-	-	-	-

Annexure VI

Statement Of Other Income

Particulars	For the period ended 30th September 2008	For the period ended 31st March 2008	For the period ended 31st March 2007	For the period ended 31st March 2006	For the period ended 31st March 2005
Other Income	-	-	-	-	-
Total	NIL	NIL	NIL	NIL	NIL

Accounting Ratios (Restated)

Sr. No.	Particulars	period ended 30 th September 2008	For the period ended 31 st March 2008	For the period ended 31 st March 2007	For the period ended 31 st March 2006	For the period ended 31 March 2005
(i)	Basic Earnings / (Loss) per share (Rs.)	Rs. (0.04)	Rs. (1.33)	-	-	-
(ii)	Diluted Earnings/ (Loss) per share (Rs.)	Rs. (0.04)	Rs. (1.33)	-	-	-
(iii)	Net Asset Value per share (Rs.)	Rs. 9.89	Rs. 9.56	-	-	-
(iv)	Return on net worth (%)	(0.11)%	(0.91)%	-	-	-

Notes:**i) Diluted EPS:**

Share Application Money of Rs.28,390,000 received by the Company as on March 31, 2008 has not been included for the purpose of calculation of diluted earnings per share for the period ended 31st March 2008 since the approval in the general meeting, time frame and conversion price were not determined as on March 31, 2008.

ii) Net Asset Value per share, computed as per net equity method, is arrived at as Equity Net Worth at the end of the period minus miscellaneous expenditure not written off and profit and loss account debit balance divided by the number of equity shares at the end of the period.

iii) Return on Net Worth is arrived at by dividing Profit/(Loss) after Tax by total shareholders' fund (Net Worth) at the end of the period.

Capitalisation Statement

(Amount in Rs.)

<i>Particulars</i>	Pre-issue as at 30th September 2008	30th September 2008
Borrowings:		
Short-Term Debt	-	[•]
Long-Term Debt (A)	-	[•]
Total Debt	NIL	[•]
Shareholders' Funds:		
Share Capital	64,863,000	[•]
Reserves	-	[•]
Less: Miscellaneous Expenses not written off	(511,121)	[•]
Less: P&L (Dr. Bal)	(219,053)	[•]
Total Shareholders' Funds (B)	64,132,825	[•]
Total Capitalisation	64,132,825	[•]
Long Term Debt / Equity Ratio (A) / (B)	NIL	[•]

Tax Shelter Statement**(Amount in Rs.)**

Particulars	For the period ended 30th September 2008	For the period ended 31 2008
Net Profit / (Loss) Before Tax	(73,018)	(146,035)
Income Tax Rates	33.99%	33.99%
Tax at Notional Rates	NIL	NIL
Adjustments for:		
Permanent Differences	-	-
Temporary Differences	-	-
Total Timing Differences	NIL	NIL
Tax Saving thereon	NIL	NIL
Tax provided in books	NIL	NIL

Statement of Secured Loans

There are no secured loans as at 30th September, 2008 and as at 31st March, 2008.

Annexure – XI

Statement of Unsecured Loans

There are no unsecured loans as at 30th September, 2008 and as at 31st March, 2008.

Statement of Investments

There are no investments as at 30th September, 2008 and as at 31st March, 2008.

Annexure XIII

Statement of Sundry Debtors

There are no debtors of the Company as at 30th September, 2008 and as at 31st March, 2008.

Annexure XIV

Statement of Loans and Advances

(Amount in Rs.)

Particulars	As at 30th September, 2008	As at 31st March, 2008	As at 31 March, 2007	March, 2006	As at 31st March, 2005
Pre-IPO Expenses	4,339,313	222,660	-	-	-
Deposit					
Office deposit	2,000,000	2,000,000	-	-	-
Advances against IPO	50,000	-	-	-	-
Total	6,389,313	2,222,660	-	-	-

Commitments and Contingent Liabilities

(Amount in Rs.)

Contingent liabilities	As at 30th September, 2008	March, 2008	March, 2007	March, 2006	March, 2005
Capital commitment outstanding	3,520,711	4,157,000	-	-	-

Annexure XVI

Related party relationships & transactions with the related parties:

Particulars	For the period ended 30th September 2008	For the period ended 31st March 2008	For the period ended 31st March 2007	For the period ended 31st March 2006	For the period ended 31st March 2005
I) Name of Related Party					
<u>A. Investing Parties</u>	1. Transform Engineering Pvt. Ltd. 2. Mr. Manoj Chaturvedi (upto 29 th September, 2008) 3. Usher Agro Limited (upto 29 th September, 2008)	1. Transform Engineering Pvt. Ltd. 2. Mr. Manoj Chaturvedi 3. Usher Agro Limited	- - -	- - -	- - -
<u>B. Name of Key Management Personnel</u>	1. Mr. V.K. Chaturvedi 2. Mr. Manoj Chaturvedi	1. Mr. V.K. Chaturvedi 2. Mr. Manoj Chaturvedi	- -	- -	- -
<u>C. Enterprises over which Key Management Personnel have significant influence</u>	1. Vedika Finance Pvt Ltd	1. Vedika Finance Pvt Ltd	-	-	-
<u>II) Transactions during the period</u>					
<u>A. Issue of Equity Share Capital</u>					
<u>Name of the Parties</u>	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
1. Mr. V.K. Chaturvedi	90,18,000	2,47,500	-	-	-
2. Mr. Manoj Chaturvedi	30,75,000	41,72,500	-	-	-
3. Transform Engineering Pvt. Ltd.	22,307,000	81,83,000	-	-	-
4. Usher Agro Limited	84,63,000	40,92,000	-	-	-
5. Vedika Finance	53,00,000	-	-	-	-

Pvt. Ltd.					
<u>B.Share Application Money Received</u>					
<u>Name of the Parties</u>	Amt. in Rs.				
1. Mr. V.K. Chaturvedi	90,18,000	2,47,500	-	-	-
2. Mr. Manoj Chaturvedi	-	72,47,500	-	-	-
3. Transform Engineering Pvt. Ltd.	-	3,04,90,000	-	-	-
4. Usher Agro Limited	84,55,000	41,00,000	-	-	-
5. Vedika Finance Pvt. Ltd.	23,00,000	30,00,000	-	-	-

<u>C. Closing Balances</u>					
<u>A. Equity Capital held</u>					
<u>Name of the Parties</u>	Amt. in Rs.				
1. Mr. V.K. Chaturvedi	91,40,500	1,22,500	-	-	-
2. Mr. Manoj Pathak	71,22,500	40,47,500	-	-	-
3. Transform Engineering Pvt. Ltd.	30,490,000	81,83,000	-	-	-
4. Usher Agro Limited	1,28,05,000	43,42,000	-	-	-
5. Vedika Finance Pvt. Ltd.	53,00,000	-	-	-	-
<u>B. Share Application Money</u>	Amt. in Rs.				
<u>Name of the Parties</u>					
1. Mr. Manoj Pathak	-	30,75,000	-	-	-
2. Transform Engineering Pvt. Ltd.	-	2,23,07,000	-	-	-

3. Usher Agro Limited	-	8,000	-	-	-
4. Vedika Finance Pvt. Ltd.	-	30,00,000	-	-	-

Annexure XVII

Cash Flow statement prepared from the restated Financial Statements

(Amount in Rs.)

	Particulars	For the period ended 30.09.2008	For the period ended 31.03.2008	For the period ended 31.03.2007	For the period ended 31.03.2006	For the period ended 31.03.2005
A.	CASH FLOW FROM OPERATING ACTIVITIES					
	Net Profit/(Loss) before Tax	(73,018)	(146,035)	-	-	-
	Adjustment for :					
	Preliminary Expenses written off	73,018	146,035	-	-	-
	Operating Profit/(Loss) before working capital changes	-	-	-	-	-
	Adjustments for movement in working capital:					
	Increase/(Decrease) in Sundry Creditors & Other Payables	3,454,712	1,271,942	-	-	-
	(Increase) / Decrease in Loans & Advances	(4,166,653)	(2,222,660)	-	-	-
	(Increase) / Decrease in Preliminary Expenses	-	(730174)	-	-	-
	Cash from / (Used in) Operating Activities (A)	(711,941)	(1,680,892)	-	-	-
B.	CASH FLOW FROM INVESTING ACTIVITIES					
	Increase in Balance in Pre Operative Expenditure during the period	(6,801,200)	(2,635,892)	-	-	-
	Adjustments for:					
	Depreciation	29,692	8,013	-	-	-

	Purchase of Fixed Assets	(68,432)	(37,691,200)	-	-	-
	(Increase) / Decrease in Capital Advances	(4,439,620)	(337,080)	-	-	-
	(Increase) / Decrease in Capital Work in Progress	(973,289)	-	-	-	-
	Cash from / (Used in) Investing Activities (B)	(12,252,849)	(40,656,159)	-	-	-
C.	CASH FLOW FROM FINANCING ACTIVITIES					
	Proceeds from Borrowings	-	-	-	-	-
	Repayments of Borrowings	-	-	-	-	-
	Increase / (Decrease) in Share Capital	48,163,000	16,700,000	-	-	-
	Increase / (Decrease) in Share Application Money	(28,390,000)	28,390,000	-	-	-
	Cash from / (Used in) Financing Activities (C)	19,773,000	45,090,000	-	-	-
	Net Increase/ (Decrease) in Cash & Cash Equivalents (A)+(B)+(C)	68,08,210	2,752,949	-	-	-
	Cash & Cash equivalent as at beginning of the period	27,52,949	-	-	-	-
	Cash & Cash equivalent as at end of the period	95,61,159	2,752,949	-	-	-

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our audited restated financial statements for the fiscal year ended March 31, 2008 including the significant accounting policies and notes thereto and reports thereon which appear elsewhere in this Draft Red Herring Prospectus. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and as required under the SEBI DIP Guidelines.

Unless indicated otherwise, the financial data in this section is derived from our restated financial statements prepared in accordance with Indian GAAP and included in this Draft Red Herring Prospectus. The following discussion is also based on internally prepared statistical information and publicly available information. You are also advised to read the section titled "Risk Factors" beginning on page xiii of the Draft Red Herring Prospectus, which discusses a number of factors and contingencies that could affect our financial condition, results of operations and cash flows.

Our fiscal year ends on March 31 of each year. All references to a particular fiscal year are therefore to the 12-month ending March 31 of that year. Please refer to the section titled "Definitions and Abbreviations" beginning on page ii of the Draft Red Herring Prospectus to refer to certain industry, technical and financial terms with initials capitalised in this section

Overview of the business of our Company

Our company was incorporated as a public limited company on July 20, 2007 in Maharashtra under the Companies Act, 1956. Our company's current Promoters are Mr. Vinod Kumar Chaturvedi, Mr. Manoj Chaturvedi, Usher Agro Limited and Transform Engineering Private Limited.

We propose to set up an eco-friendly paddy husk fired 16 MW biomass based cogeneration power project. The biomass power project of 16 MW capacity will primarily utilize paddy husk as feed stock. However, other biomass fuel like baggase may also be used as feedstock. We believe that both paddy husk and bagasse will be available in and around Mathura, U.P. We have already acquired land admeasuring 4.16 hectares in Chhata, Mathura, U.P. for setting up the power project. We believe we will be able to secure water supply from tube wells to be installed in the plant complex. The area in proximity of proposed power project has sufficient irrigation facilities thereby maintaining the sustained availability of agro residues to be utilized as feedstock.

Project overview

The proposed site, admeasuring 4.16 hectares in 630 Dautana, Chhata, National Highway 2, Mathura in U.P. The site is about 36 kms from Mathura. The site and all the villages in the area of the proposed biomass power project are well connected through roads. The nearest 132 KV, DVVNL substation is at a distance of 8 km from the site.

The biomass power project of 16 MW capacity will primarily utilize paddy husk as feed stock. However, other biomass fuel like baggase may also be used as feedstock. We believe that both paddy husk and bagasse are available in and around Mathura, U.P. The plant will have 2 sets of turbine generators, of 6MW and 10MW capacity. The plant would employ a high pressure and temperature configuration (67 kg/cm² and 495°C) boiler and steam turbine, as well as an ESP for emission control and DCS - SCADA control system for efficient operation.

The plant and equipment will consist of the high pressure boiler, extraction cum condensing turbo generator, cooling water system, DM water system, condensate system, compressed air system and electrical system consisting of switchgears, LT distribution panels, step up transformer to export the power, step down transformers for meeting the in-house power requirements of the power plant, outdoor switchyard equipment, etc. The 30 TPH & 40 TPH boilers will be designed for paddy husk firing and also for other biomass fuels such as bagasse. The ESP will be installed as a part of the boiler, along with steel / RCC chimney, to limit the emissions well below 150 mg/Nm³, stipulated norm

by the Pollution Control Board. The plant controls will be DCS based to ensure efficient operations and monitoring of operating parameters.

Our total 16 MW capacity would be sold either through entering long term PPA and/or on merchant basis/spot sales.

Factors affecting our results of operations

Our financial condition and results of operation are affected by numerous factors, the following of which are of particular importance:

- ***No experience in power generation business***

Our Promoters have no experience in power generation business. Although the Promoters have no prior experience in power generation business, they have been into the agri-processing business for more than a decade. Moreover our promoters have already set up a 1 MW cogeneration captive power plant at Usher Agro Limited. Since this is our first venture into an unrelated field, we cannot assure you that we will be able to effectively implement this project and manage our growth, which may adversely affect our business operations and financial condition.

- ***Off- Take Arrangements***

We intend to sell power to state run utility companies and industrial consumers either through entering long term PPA and/or on merchant basis/ spot sales. As on the date of the Draft Red Herring Prospectus, we have not entered into any Power Purchase Agreement (PPA) for sale of power generated from the proposed plant.

- ***Availability of cost effective funding***

The setting up of power projects is a capital intensive business and our power project may require additional capital. Our estimated set up cost is Rs. 7,885 lacs, for which we have received sanction letter from bank for Rs. 2,500 lacs in secured loan. The implementation of our power project is also subject to a number of variables, and the actual amount of capital requirement to implement the power project may differ from our estimates. We cannot guarantee that the funding requirements of our power project will not substantially exceed these estimates. If the funding requirement of the power project increases, we will need to look for additional sources of finance, which may not be readily available, or may not be available on commercially reasonable terms, which may have an adverse effect on the profitability of the power project.

- ***Availability and volatility in the prices of fuel***

Our power project would primarily be paddy husk fired project, although other biomass fuel like bagasse could also be used. The success of our operations will depend on, among other things, our ability to source fuel at competitive prices. We have not entered into long term fuel supply agreements with suppliers for supply of fuel for the power project. However we have entered into fuel supply agreement with Usher Agro Limited, one of our Promoter Companies which will cater approximately 34% of our total fuel requirement for generating 16 MW power. For details of the fuel arrangements for our power project see the chapter “*Business Overview*” on page 57 of the Draft Red Herring Prospectus. There can be no assurance that we will be able to obtain the balance fuel requirement from other suppliers in sufficient quantities or on commercially acceptable terms, or at all, which could have an adverse effect on our business, financial condition and results of operations.

- ***General economic and business conditions***

We may be affected by the general economic conditions prevalent in the country and the factors affecting the infrastructure industry in general power industry in particular. The Indian economy has grown steadily over the past several years. Average GDP growth for the period 2002 – 2007 has been 7.7 %. This improved performance was propelled by the growth in industrial activity and robust services sector, which in turn leads to further growth in demand of power. The improvements in power infrastructure in turn have a strong impact upon GDP growth. The growth prospects of our business and our ability to implement our strategies will be influenced by macroeconomic growth.

- ***Government policies and regulations***

The growth of the infrastructure industry in India and our business is dependent on the establishment of stable Government policies and a prudent regulatory environment. Power generation in India has historically been the preserve of the central and state Governments. Changes in Government policies, which began in the 1990s, facilitated the entry of private capital into infrastructure and have led to rapid growth in certain sectors. Recently policy changes in energy, urban infrastructure, industrial and commercial infrastructure sectors have begun to attract significant private sector interest. For example, the Government of India has expressed a “Power for All by 2012” objective, and has enacted legislation in 1991, and again in 2003, designed to increase private sector participation in the Indian power sector. Further, the government’s focus has also led to an increase in captive power generation capacity in India. For example, the Electricity Act exempts captive power generators from license requirements. For further details, see the section “*Industry Overview*” beginning on page 48 of this Draft Red Herring Prospectus. We believe that with the policy and regulatory reforms continuing to move in a positive direction, our growth in financial and operational conditions will be impacted favourably.

- ***Compliance with environmental laws and regulations***

Our power project is subject to central and state environmental laws and regulations, which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from our operations. In case of any change in environmental or pollution laws and regulations and imposition of levies on power generation, we may be required to incur significant amounts on, among other things, environmental monitoring, pollution control equipment and emissions management. In addition, failure to comply with environmental laws may result in the assessment of penalties and fines against us by regulatory authorities.

- ***Tax benefits***

In accordance with and subject to the condition specified in Section 80 IA of the Income Tax Act, 1961, we would be entitled to deduction of 100% of profits derived from the generation of power for any 10 consecutive assessment years out of 15 years beginning from the year in which the company starts generating power before March 31, 2010 subject to compliance with conditions specified in Section 80 IA. For details of the tax benefits available to us, see the section “*Statement of Tax Benefits*” beginning on page 39 of this Draft Red Herring Prospectus.

Our Significant Accounting Policies

The Financial statements are prepared on an accrual basis, following the historical cost convention and in accordance with the Generally Accepted Accounting principles and Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 1956 to the extent applicable and in the manner so required. The Financial statements are prepared in accordance with applicable Generally Accepted Indian Accounting Standards. A summary of the more-important accounting policies, which have been applied consistently, is set out below:

- **Treatment of expenditure during construction period**

Expenditure during construction period is included under Capital Work-in-Progress and the same is allocated to the respective Fixed Assets on the completion of its construction.

- **Fixed Assets and Depreciation**

Fixed Assets are stated at cost. All expenditure pertaining to project under construction and other preoperative expenses incurred during the construction period unless otherwise stated, are capitalized till the commencement of Production /till the date assets are put in use.

Depreciation on fixed assets is provided on prorata basis as per straight line method at the rate and manner specified in Schedule XIV of the Companies Act, 1956.

- **Preliminary Expenses**

Preliminary expenses are amortised over a period of Five years.

- **Contingent Liabilities**

All known liabilities, wherever material, are provided for and liabilities, which are material and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent and disclosed by way of Notes on Accounts.

Overview of our Results of Operations

Based on restated financials of our Company, the table below summarizes our results of operations for the periods indicated:

Particulars	Amount in Rs.				
	For the period ended 30 th September 2008	For the period ended 31 st March 2008	For the period ended 31 st March 2007	For the period ended 31 st March 2006	For the period ended 31 st March 2005
Income					
Net sales of products manufactured by the Company	-	-	-	-	-
Other Income	-	-	-	-	-
Increase / (Decrease) in Stock	-	-	-	-	-
Total	-	-	-	-	-
Expenditure					
Raw Material consumed	-	-	-	-	-
Staff Costs	-	-	-	-	-
Other Manufacturing Expenses	-	-	-	-	-
Administration Expenses	-	-	-	-	-
Selling and Distribution Expenses	-	-	-	-	-
Interest	-	-	-	-	-
Depreciation	-	-	-	-	-
Preliminary Expenses written off	73,018	146,035	-	-	-
Total	(73,018)	(146,035)	-	-	-
Net Profit/ (Loss) before Extra Ordinary Items & Tax	(73,018)	(146,035)			
Current tax	-	-	-	-	-

Net Profit/ (Loss) before Extra Ordinary Items	(73,018)	(146,035)	-	-	-
Less: Extra Ordinary Items	-	-	-	-	-
Net Profit/Loss After Extra Ordinary Items	(73,018)	(146,035)	-	-	-

Results of our operations

Income

We have not commenced operations yet hence we have no income.

Expenditure

The only component of expenditure is Preliminary expenses written off which amounts to Rs. 146035.

Six Months Ended September 30, 2008

Income

We have not commenced operations yet hence we have no income.

Expenditure

The only component of expenditure is Preliminary expenses written off which amounts to Rs. 73018.

Financial condition, Liquidity and Capital Resources

Cash Flows

The table below summarizes our cash flows for the period indicated:

Particulars	Amount in Rs.				
	For Six months ended September 30, 2008	For Fiscal year 2008	For Fiscal year 2007	For Fiscal year 2006	For Fiscal year 2005
Net Cash from/(used in) Operating Activities	(711941)	(1680892)	-	-	-
Net Cash from/(used in) Investing Activities	(12252849)	(40656159)	-	-	-
Net Cash from/(used in) Financing Activities	19773000	45090000	-	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents (as of the end of the period)	9561159	2752949	-	-	-

Cash flow from Operating Activities:

For Six months ended September 30, 2008

The net cash used in operating activities was Rs. (711941), which was primarily due to increase in loans and advances of Rs. 4166653 and increase in sundry creditors and other payables of Rs. 3454712.

Fiscal year 2008

The net cash used in operating activities was Rs. (1680892), which was primarily due to increase in loans and advances of Rs. 2222660 and increase in sundry creditors and other payables of Rs. 1271942.

Cash flow from Investing Activities:

For Six months ended September 30, 2008

The net cash used in investing activities was Rs. (12252849), which was primarily due to adjustment in fixed assets of Rs. 68432, increase in capital advances of Rs. 4439620 and increase in capital work in progress of Rs. 973289 and increase in pre-operative expenses of Rs. 6771508.

Fiscal year 2008

The net cash used in investing activities was Rs. (40656159), which was primarily due to adjustment in fixed assets of Rs. 37691200 and increase in capital advances of Rs. 337080 and increase in pre-operative expenses of Rs. 2627879.

Cash flow from Financing Activities:

For Six months ended September 30, 2008

The net cash used from financing activities was Rs. 19773000, which was primarily due to adjustment in increase in share capital of Rs. 48163000 and decrease in share application money of Rs. 28390000.

Fiscal year 2008

The net cash used from financing activities was Rs. 45090000, which was primarily due to adjustment in increase in share capital of Rs. 16700000 and increase in share application money of Rs. 28390000.

Fixed Assets

As on September 30, 2008, we had Rs. 52,909,008 of fixed assets, comprising of Rs. 973,289 of capital work in progress, capital advances amounting to Rs. 4,776,700 and pre-operative expenses amounting to Rs. 9,437,092. Capital work in progress was primarily on account of design engineering and consultancy charges. Pre-operative expenses primarily consisted rent payment, salary, term loan processing fees and legal and professional fees

Loans and Advances

As on September 30, 2008, we had loans and advances amounting to Rs. 6,389,313 comprising of office deposit amounting to Rs. 2,000,000, Pre-IPO expenses of Rs. 4,339,313 and advances against the IPO amounting to Rs. 50,000.

Current Liabilities and Provisions

As on September 30, 2008, we had current liabilities and provisions amounting to Rs. 4,726,654 comprising of sundry creditors of Rs. 1932367, other liabilities of Rs. 2787374 and provisions of Rs. 6913.

Miscellaneous expenditure

As on September 30, 2008, we had miscellaneous expenditure (to the extent not written off) amounting to Rs. 511,121. comprising of legal processing fees and stamp duty, franking charges.

Transactions with Related Parties

We have certain transactions with our Promoters and Promoter Group Companies. For details, please refer to “*Related party relationships & transactions with the related parties*” on page 116 of the Draft Red Herring Prospectus.

Quantitative and Qualitative Disclosure about Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk, foreign exchange risk, inflation and commodity risk. We are exposed to different degrees of these risks in the normal course of our business.

Interest Rate Risk

We are exposed to interest rate risk and do not currently enter into any swap or interest rate hedging transactions in connection with our loan agreement or other material agreements. We may enter into interest hedging contracts or other financial arrangements in the future to minimize our exposure to interest rate fluctuations. We cannot assure you, however, that we will be able to do so on commercially reasonable terms or any of such agreements we enter into will protect us fully against our interest rate risk. Any increase in interest expense may have an adverse effect on our business prospects, financial condition and results of operations.

Inflation

In recent years, India has not experienced significant inflation and accordingly inflation has not had any material impact on our business and results of operations. According to the CIA World Factbook, inflation in India was approximately 3.8%, 4.2%, 4.2% and 5.3% in fiscal years 2004, 2005, 2006 and 2007 (estimated), respectively. Although the GoI has initiated several economic measures to curb the rise in inflation rates, it is unclear at this stage whether these measures will have the desired effect. This rise in inflation rates in recent years may adversely affect growth in the Indian economy and our results of operations.

Price of Fuel

Our power project would primarily be paddy husk fired project although other biomass fuel like bagasse could also be used. The success of our operations will depend on, among other things, our ability to source fuel at competitive prices. We have not entered into long term fuel supply agreements with suppliers for supply of fuel for the power project. Our power project will source a significant portion of its paddy husk requirements from Usher Agro Limited, Our Promoter Company. However we have not yet secured supply of fuel from other suppliers for our power project. For details of the fuel arrangements for our power project see the section “Business Overview” beginning on page 57 of this Draft Red Herring Prospectus.

Other Qualitative Factors

Unusual or infrequent events or transactions

Except as described in this Draft Red Herring Prospectus, there have been no events or transactions to our knowledge which may be described as “unusual” or infrequent”.

Significant Economic changes that materially affected or are likely to affect income from continuing operations

Government’s policy on renewable energy sources will have major bearing on companies involved in these sectors. Any major changes in policies of government would have a significant impact on the profitability of our company.

Except the above, there are no significant economic changes that may materially affect or are likely to affect income from continuing operations.

Known trends or uncertainties

Other than as described in the section titled “Risk Factors”, and this section and elsewhere in this Draft Red Herring Prospectus, to the best of our knowledge there are no known trends or uncertainties that have had, or are expected to have, a material adverse impact on our revenues or income from continuing operations.

New Product or Business Segment

Other than as described in the section “Business Overview” beginning on page 57 of this Draft Red Herring Prospectus, to our knowledge, there are no new products or business segments.

Competitive conditions

The Electricity Act which came into force in June 2003, removes licensing requirements, provides open access to generation, transmission and distribution networks and removes restrictions on the right to build captive generation plants. These reforms though favorable for us, it would lead to increased competition in power industry. Therefore, in future, increased competitive condition would affect the profitability of the Company. But taking into consideration huge demand and supply gap and uninterrupted power supply being critical for industrial growth there is tremendous potential for all the companies in this sector.

Significant Developments Subsequent To The Last Financial Statement

The Directors of the company confirm that in their opinion, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus and which materially and adversely affect the profitability of the Company, or the value of its assets or its ability to pay its liabilities within the next twelve months except that Company has received share application money of Rs.1.21 crore from Usher Agro Limited and has given capital advance of Rs.2.05 crore to Masters Surveyors & Contractors Proprietors, subsequent to September 30, 2008

FINANCIAL INDEBTEDNESS

Our Company has been sanctioned a term loan of Rs. 25 Crores from State Bank of India vide sanction letter dated March 24, 2008, pursuant to the appraisal of our project. We have not yet availed the term loan.

The security for the above facility is as shown in the table below:

Primary Security	
1st equitable mortgage and hypothecation on entire fixed assets of the Company	
Guarantee	
1.	Personal Guarantee of Mr. Vinod Kumar Chaturvedi
2.	Personal Guarantee of Mr. Manoj Chaturvedi
3.	Corporate Guarantee of Usher Agro Limited

Negative Covenants

In respect of agreement entered into by our Company with State Bank of India as mentioned above, we are bound by certain negative covenants. Pursuant to these covenants, without the prior written consent of the bank, our Company shall not:-

1. Effect any change in its capital structure
2. Formulate any scheme of amalgamation or reconstruction.
3. Undertake any new project, implement any scheme of expansion or acquire fixed assets except those indicated in the funds flow statement submitted to the bank from time to time and approved by the bank.
4. Undertake any guarantee obligation on behalf of any other Company (including group companies).
5. Sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to the bank.
6. Declare dividends for any year out of profits relating to that year before meeting all the financial commitments to the bank and making all due and necessary provisions.
7. Permit any transfer of controlling interest or make any drastic change in the management set-up.
8. Undertake any trading activities other than the sale of products arising out of its own manufacturing operations.
9. Change the practise with regard to remuneration of directors by means of ordinary remuneration or commission, scale of sitting fees, etc.
10. Enter into borrowing arrangement either secured or unsecured with any other bank, financial institution, company or otherwise or accept deposits apart from the arrangement indicated in the fund flow statement submitted to the bank from time to time and approved by the bank.

Unsecured Loans

Our Company has not availed of any unsecured loan as on the date of the Draft Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares will be recommended by our board 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, cash flows, capital expenditure, capital requirements and overall financial condition. Our Company has not declared any dividend till date. Our Company has no stated dividend policy.

SECTION VII - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS, MATERIAL DEVELOPMENTS AND OTHER DISCLOSURES

There are no outstanding litigations, suits or civil or criminal prosecution against our Company, our Directors, 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 Directors and Promoters 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.

A. Litigation involving our Promoters

i. Usher Agro Limited

a. Assessment year 2003-2004

An appeal has been filed by Usher Agro Limited (the “Appellant”) before the Joint Commissioner Appeal, Commercial Tax, Mathura, against the order of the Deputy Commissioner Commercial Tax (the “DCCT”), Mathura. The DCCT as alleged by the Appellant has erred in not reducing the tax paid in lieu of sale of paddy against the tax to be paid on the sale of rice in accordance with Section 15(c) of the Central Sales Tax Act, 1956. The DCCT had imposed a tax of Rs. 16,40,898 to be paid on the inter state sale of rice *vide* its order dated May 15, 2008. The Appellant in the present appeal has demanded a set off on an amount of Rs. 15,68,204 against the tax paid on the sale of paddy.

This Appeal is pending before the Joint Commissioner Appeal, Commercial Tax.

b. Assessment Year 1999-2000, Assessment Year 2000-2001 and Assessment Year 2001-2002

An appeal has been filed by Usher Agro Limited (the “Appellant”) before the Trade Tax Tribunal, Agra (the “Tribunal”) against the assessment order passed by the Deputy Commissioner Assessment, Trade Tax, Mathura (the “Assessing Authority”). The Tribunal *vide* its order had directed the Assessing authority to reconsider the matter under question and pass an order afresh. The Assessing Authority as alleged by the Appellant had erred in not granting a set off on the tax to be paid on sale of rice against the tax paid on the sale of paddy, *vide* its order dated June 6, 2005.

This appeal is pending before the Tribunal.

B. Contingent Liabilities

As on March 31, 2008 and September 30, 2008, contingent liabilities not provided for were as follows:

Rs. in lacs

Particulars	As on March 31, 2008	As on September 30, 2008
Capital commitment outstanding	41.57	35.21

C. Amounts Owed to Small Scale Undertakings

There are no amounts due to small scale undertakings from our Company.

Material Developments

The Directors of the company confirm that in their opinion, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus and which materially and adversely affect the

profitability of the Company, or the value of its assets or its ability to pay its liabilities within the next twelve months except that Company has received share application money of Rs.1.21 crore from Usher Agro Limited and has given capital advance of Rs.2.05 crore to Masters Surveyors & Contractors Proprietors, subsequent to September 30, 2008.

GOVERNMENT/STATUTORY AND BUSINESS APPROVALS

In view of the material approvals listed below, our Company can undertake this Issue as well as our current business activities. We have received the requisite consents, licenses, permissions and approvals from the Government and various Government agencies required for carrying out our present business except as mentioned below:

APPROVALS FOR THE ISSUE

We have received the following approvals relating to the Issue:

1. In Principle Approval from the National Stock Exchange dated [●].
2. In Principle Approval from the Bombay Stock Exchange dated [●].
3. Our Board has, pursuant to a resolution passed at its meeting held on June 25, 2008 authorised this Issue subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act, and such other authorities as may be necessary. Our shareholders have, pursuant to a resolution passed at the Annual General Meeting held on June 27, 2008 under Section 81(1A) of the Companies Act, authorised this Issue.

APPROVALS FOR OUR BUSINESS

We have received the following major Government and other approvals pertaining to our business

1. Certificate of Incorporation bearing Corporate Identity Number U40102MH2007PLC172552 2007-2008 issued by Registrar of Companies, Maharashtra at Mumbai dated July 20, 2007
2. Certificate of Commencement of Business bearing Corporate Identity Number U40102MH2007PLC172552 2007-2008 issued by Registrar of Companies, Maharashtra at Mumbai dated October 15, 2007
3. Permanent Account Number bearing number AAACU9211G issued by Income Tax Department dated July 20, 2007
4. Acknowledgement bearing number 1493/SIA/IMO/2008 for memorandum of manufacture of electrical power issued by Secretariat for Industrial Assistance dated May 19, 2008.
5. Allotment of Tax Deduction Account Number bearing number MUMU05390A issued by the Income Tax Department dated February 12, 2008.
6. Approval for setting up of 16 MW Rice Husk based Biomass Power Plant at Mathura bearing No. 1109/NEDA-BM-POWER/PVT.DEVP/2008-09 dated June 28, 2008 issued by Non-Conventional Energy Development Agency, (NEDA) U.P. under Department of Additional Services of Energy, Government of Uttar Pradesh by Chief Project Officer, NEDA.

Pending Approvals

1. Application dated May 14, 2008 for environmental clearance for the 16 MW Rice Husk based Biomass Power Plant at Mathura made to Department of Environment, Government of Uttar Pradesh.
2. Application dated June 5, 2008 for approval of single line diagram for the 16 MW Rice Husk based Biomass Power Plant at Mathura made to Director of Electrical Safety, Government of Uttar Pradesh.

SECTION VIII - OTHER REGULATORY AND STATUTORY DISCLOSURES

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for This Issue

Our Board has, pursuant to a resolution passed at its meeting held on June 25, 2008, authorised the Issue the Green Shoe Option and the Pre- IPO placement, subject to the approval of the shareholders of our Company under Section 81 (1A) of the Companies Act.

Our shareholders have authorised this Issue, the Green Shoe Option and the Pre-IPO placement by a special resolution adopted under Section 81 (1A) of the Companies Act, passed at the Annual General Meeting held on June 27, 2008.

Our Board of Directors have, pursuant to its resolution passed by circulation on October 20, 2008, approved the Draft Red Herring Prospectus.

We have also obtained all necessary contractual approvals required for this Issue. For further details, please refer chapter titled “*Government/Statutory and Business Approvals*” on page 133 of the Draft Red Herring Prospectus.

Prohibition by SEBI

Our Company, our Directors, our Promoters, other companies promoted by our Promoters and companies with which our Directors are associated as directors or promoters have not been prohibited from accessing in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

The listing of securities of our Company has never been refused at any time by any stock exchange in India.

Further, none of our Company’s Promoters, the Promoter Group Companies, our Directors or any companies in which our Directors are associated as directors have been declared as willful defaulters by the RBI or any other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against them.

Eligibility for this Issue

Our Company is an “Unlisted Company” in terms of the SEBI Guidelines; and this Issue is an “Initial Public Offer” in terms of SEBI Guidelines.

Our Company is eligible to make the Issue as per Clause 2.2.2 of the SEBI Guidelines as explained hereunder, and will fulfil the eligibility criteria as per Clause 2.2.2(a)(ii) and Clause 2.2.2(b)(i) of the SEBI Guidelines as stated hereinbelow:

Clause 2.2.2 of the SEBI Guidelines states as follows:

“2.2.2 An unlisted company not complying with any of the conditions specified in Clause 2.2.1 may make an initial public offering (IPO) of equity shares or any other security which may be converted into or exchanged with equity shares at a later date, only if it meets both the conditions (a) and (b) given below:

- (a)(i) The issue is made through the book-building process, with at least 50% of the issue size being allotted to the Qualified Institutional Buyers (QIBs), failing which the full subscription monies shall be refunded.*

OR

- (a)(ii) *The “project” has at least 15% participation by Financial Institutions/Scheduled Commercial Banks, of which at least 10% comes from the appraiser(s). In addition to this, at least 10% of the issue size shall be allotted to QIBs, failing which the full subscription monies shall be refunded.*

AND

- (b)(i) *The minimum post-issue face value capital of the company shall be Rs.10 crores (Rs.100 million).*

OR

- (b)(ii) *There shall be a compulsory market-making for at least 2 years from the date of listing of the shares, subject to the following:*

- (a) *Market makers undertake to offer buy and sell quotes for a minimum depth of 300 shares;*
- (b) *Market makers undertake to ensure that the bid-ask spread (difference between quotations for sale and purchase) for their quotes shall not at any time exceed 10%;*
- (c) *The inventory of the market makers on each of such stock exchanges, as of the date of allotment of securities, shall be at least 5% of the proposed issue of the company.)”*

Our Company is an unlisted company that does not comply with the conditions specified in Clause 2.2.1 of the SEBI Guidelines and is therefore required to meet both the conditions set forth in clause 2.2.2(a)(ii) and clause 2.2.2(b)(i) of the SEBI Guidelines, as specified above.

- a) Our Company will comply with Clause 2.2.2(a)(i) of the SEBI Guidelines, and the “project” shall have at least 15% participation by financial institutions/scheduled commercial banks, of which at least 10% comes from the appraiser(s). In addition to this, at least 10% of the Issue shall be allotted to QIBs, failing which the full subscription monies shall be refunded forthwith.
- b) Our Company will also comply with Clause 2.2.2(b) of the SEBI Guidelines and the post-Issue face value capital of our Company shall be Rs. [●] million, which is more than the minimum requirement of Rs. 10 crores (Rs. 1000 lacs).

Hence, our Company is eligible for the Issue under Clause 2.2.2 of the SEBI Guidelines.

Our Company undertakes that the number of allottees in the Issue shall be at least 1,000. Otherwise, the entire application money shall be refunded forthwith.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE 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 THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, IDBI CAPITAL MARKET SERVICES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000, 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 THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, IDBI CAPITAL MARKET SERVICES LIMITED, IS 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, IDBI CAPITAL MARKET SERVICES LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED OCTOBER 20, 2008 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, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS MORE PARTICULARLY REFERRED TO IN THE ANNEXURE HERETO IN CONNECTION WITH THE FINALISATION OF THE DRAFT PROSPECTUS/LETTER OF OFFER 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, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**
 - (A) THE DRAFT RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
 - (B) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT, AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - (C) THE DISCLOSURES MADE IN THE 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 SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAVE 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 THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH SEBI UNTIL THE DATE COMMENCEMENT OF THE LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**
- 6. WE CERTIFY THAT CLAUSE 4.6 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000, WHICH RELATES TO SECURITIES INELIGIBLE FOR**

COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE CLAUSE HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.

- 7. WE UNDERTAKE THAT CLAUSES 4.9.1, 4.9.2, 4.9.3 AND 4.9.4 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION AND SUBSCRIPTION FROM ALL FIRM ALLOTTEES WOULD BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE.**
- 8. WHERE THE REQUIREMENTS OF PROMOTERS' CONTRIBUTION IS NOT APPLICABLE TO THE ISSUER, WE CERTIFY THE REQUIREMENTS OF PROMOTERS' CONTRIBUTION UNDER CLAUSE 4.10 {SUB-CLAUSE (A), (B) OR (C), AS MAY BE APPLICABLE} ARE NOT APPLICABLE TO THE ISSUER.**
- 9. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**
- 10. 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 SECTION 73(3) OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.**
- 11. WE CERTIFY THAT NO PAYMENT IN THE NATURE OF DISCOUNT, COMMISSION, ALLOWANCE OR OTHERWISE SHALL BE MADE BY THE ISSUER OR THE PROMOTER, DIRECTLY OR INDIRECTLY, TO ANY PERSON WHO RECEIVES SECURITIES BY WAY OF FIRM ALLOTMENT IN THE ISSUE.**

WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.

- 12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**
 - (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE COMPANY AND**
 - (B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**

The filing of the Draft Red Herring Prospectus 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 Draft Red Herring Prospectus.

Disclaimer from our Company and BRLM

Investors that apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Book Running Lead Manager 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 Book Running Lead Manager 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.

Our Company, the Director and the BRLM accept no responsibility for statements made otherwise than in the Draft Red Herring Prospectus or in the advertisements or any other material issued by or at instance of the abovementioned entities and anyone placing reliance on any other source of information, including our website, www.usherecopower.com would be doing so at his or her own risk.

The BRLM accepts no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the BRLM and our Company dated October 17, 2008.

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.

Neither our Company nor the Book Running Lead Manager is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

The BRLM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and our Promoter Group Companies, affiliates or associates in the ordinary course of business and have engaged, and may in future engage, in the provision of commercial banking or other financial services for which they have received, and may in future receive, compensation.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to permitted non residents including eligible NRIs, FIIs and other eligible foreign investors, provided they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. The Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to the Equity Shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Red Herring Prospectus comes is required to inform himself or her self about and to observe any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public issuing in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with SEBI for observations and SEBI. Accordingly, the Equity Shares, represented thereby may not be issued or sold, directly or indirectly, and the 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 the 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 from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”), or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and 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 Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Disclaimer Clause of Bombay Stock Exchange Limited

As required, a copy of the Draft Red Herring Prospectus has been submitted to the BSE. The disclaimer clause as intimated by the BSE to us, post scrutiny of the Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of National Stock Exchange

As required, a copy of the Draft Red Herring Prospectus has been submitted to the NSE. The disclaimer clause as intimated by the NSE to us, post scrutiny of the Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Filing of Prospectus with SEBI and the Registrar of Companies

A copy of the 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 would be delivered for registration to the RoC having its address at 100, Everest Building, Marine Lines, Mumbai – 400 002 atleast 3 (three) days before the Bid/Issue Opening Date. The final Prospectus would be filed with the Corporate Finance Department of SEBI and the RoC at the respective aforesaid addresses upon closure of the Issue and on finalisation of the Issue Price.

Listing

The Equity Shares issued through the Draft Red Herring Prospectus are proposed to be listed on BSE and NSE. Pursuant to applications made to BSE and NSE, in-principle approval for listing of the Equity Shares of our Company from BSE and NSE have been received *vide* their letters dated [●] and [●] respectively.

If the permission to deal in and for an official quotation of our 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 fifteen (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 (8) 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 the Stock Exchanges mentioned above are taken within seven (7) working days of finalisation and adoption of the Basis of Allotment for this Issue.

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: the Directors; our Company Secretary 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 the 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.*

M/s. Haribhakti & Co., Chartered Accountants, our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in the Draft Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of the Draft Red Herring Prospectus for registration with SEBI.

M/s. Haribhakti & Co., Chartered Accountants, our Auditors have given their written consent to the tax benefits accruing to our Company and its members in the form and context in which it appears in the Draft Red Herring Prospectus and has not withdrawn such consent up to the time of delivery of the Draft Red Herring Prospectus for registration with SEBI.

Expert Opinion

Except as mentioned in the chapters titled “Objects of the Issue” and “Statement of Tax Benefits” and chapter titled “Auditors Report and Financial Information of our Company” and “Industry Overview” on pages 31, 39, 99 and 48 of the Draft Red Herring Prospectus, respectively, we have not obtained any Expert Opinions.

Expenses of the Issue

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The total expenses of the Issue are estimated to be approximately Rs. [●] lacs. The estimated Issue expenses are as follows:

(Rs. in lacs)

Activity	Expenses	% of Issue Expenses
Lead management, underwriting and selling commission *	[●]	[●]

Advertisement and marketing expenses*	[•]	[•]
Printing, stationery including transportation of the same	[•]	[•]
Other (Registrar's fees, legal fees, listing fees, etc.)*	[•]	[•]
IPO Grading Fee*	[•]	[•]
Total Estimated Issue Expenses	[•]	100.00

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

Details of Fees Payable

Fees Payable to the Book Running Lead Manager

The total fees payable to the Book Running Lead Manager (including the underwriting and selling commission and reimbursement of their out of pocket expenses) will be as per the Engagement Letter and Memorandum of Understanding dated September 6, 2007 further extended as per the Extension Letter dated September 2, 2008 and October 17, 2008, respectively executed between our Company and BRLM, copy of which is available for inspection at our Registered Office.

Fees Payable to the Registrar to this Issue

The fees payable to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the memorandum of understanding signed by our Company and the Registrar dated April 23, 2008, a copy of which is available for inspection at our Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post/under certificate of posting.

Previous Rights and Public Issues during the Last Five Years

Our Company has not made any previous rights or public issues in India or abroad during the last five (5) years preceding the date of the Draft Red Herring Prospectus.

Previous Issues of Shares otherwise than for Cash

Except as stated in the chapter titled "*Capital Structure*" on page 20 of the Draft Red Herring Prospectus, we have not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage on Previous Issues

Since this is the initial public offering of the Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of our Company since inception.

Promise versus Performance

Our Company

Our Company has not made any public or rights issue in the past.

Our Promoter and Promoter Group Companies

Our Promoter, Usher Agro Limited is listed on BSE and NSE. For details with respect to promise versus performance data for their past issues, please refer chapter titled "*Our Promoters and their Background*" beginning on page 84 of the Draft Red Herring Prospectus.

Outstanding Debentures, Bond Issues and Redeemable Preference Shares

As on the date of the filing of the Draft Red Herring Prospectus, there are no outstanding debentures, bonds or redeemable preference shares of our Company.

Stock Market Data for our Equity Shares of our Company

This being an initial public offering of our Company, the Equity Shares of our Company are not listed on any stock exchange.

Mechanism for redressal of investor grievances

The Memorandum of Understanding between the Registrar to this Issue and our Company will provide for retention of records with the Registrar to this Issue for a period of at least one year from the last date of despatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Bidder, number of Equity Shares applied for, amount paid on Bid and the bank branch or collection centre where the Bid was submitted.

Disposal of Investor Grievances by our Company

The average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Board at its meeting held on June 25, 2008 has constituted a Shareholder's / Investor's Grievance Committee chaired by Mr. Pandoo Naig; and Mr. Vijay Ranchan and Mr. Ajay Prakash Arora as members.

The terms of reference of the said committee are as mentioned in the chapter titled "*Our Management*" on page 71 of the Draft Red Herring Prospectus.

Our Company has appointed Ms. Shreya Ramkrishnan, Company Secretary as the Compliance Officer and she may be contacted at:

212, Laxmi Plaza,
Laxmi Industrial Estate
New Link Road,
Andheri (West)
Mumbai-400 053
Tel: +91 22 30681174;
Fax: +91 22 30681177;
Email: investors@usherecopower.com

Investors may contact her in case of any pre-Issue or post-Issue problems.

Other Disclosures

Except as disclosed in the chapter titled "*Capital Structure*" beginning on page 20 of the Draft Red Herring Prospectus, the Promoter Group Companies, the directors of the Promoter or the Promoter Group Companies or the Directors of our Company have not purchased or sold any Equity Shares during a period of six (6) months preceding the date on which the Draft Red Herring Prospectus is filed with SEBI.

Disposal of investor grievances by listed companies under the same management as our Company

For details, see the chapter “*Our Promoters and their Background*” beginning on page 84 of the Draft Red Herring Prospectus.

Changes in Auditors during the last three (3) financial years and reasons therefore

There has been no change in the auditor of our Company.

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time since inception.

Revaluation of Assets

Our Company has not revalued its assets since incorporation.

Tax Implications

Investors that are Allocated Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the stock exchanges. For further details, see the chapter titled “*Statement of Tax Benefits*” beginning on page 39 of the Draft Red Herring Prospectus.

Interest of Promoter and Directors

Promoter

For details, please refer to the chapter titled “*Our Promoters and their Background*” beginning on page 84 of the Draft Red Herring Prospectus.

Directors

For details, please refer to the chapter titled “*Our Management*” beginning on page 71 of the Draft Red Herring Prospectus.

Payment and benefits to the officers of our Company

SECTION IX– ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, the Memorandum and Articles of Association of our Company, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Bid cum Application Form/ ASBA, the Revision form, the CAN and other terms and conditions as may be incorporated in the allotment advice, and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to this issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Reserve Bank of India, Stock Exchanges, Registrar of Companies, FIPB and/or other authorities, as in force on the date of this Issue and to the extent applicable.

Ranking of Equity Shares

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

For description of our Articles of Association, please refer the section titled “*Main provisions of the Articles of Association*” on page 184 the Draft Red Herring Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of the Companies Act and recommended by the Board of Directors and the shareholders at their discretion, and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company.

Face Value and Issue Price

The Equity Shares with a Face Value of Rs. 10/- each are being issued in terms of the Red Herring Prospectus at a Price Band of Rs. [●] to Rs. [●] per equity share. At any given point of time, there shall be only one denomination for the Equity Shares of our Company, subject to applicable laws. The Issue Price is Rs. [●], which is [●] times the face value of the Equity Shares.

Compliance with SEBI Guidelines

We shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, Memorandum and Articles of Association of our Company and the Listing agreements to be entered with the Stock Exchanges.

For further details on the main provisions of our Company's Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, please refer to section titled "*Main Provisions of the Articles of Association*" on page 184 of the Draft Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares of our Company shall be allotted only in dematerialized form. In terms of existing SEBI Guidelines, the trading in the Equity Shares of our Company shall only be in dematerialized form for all investors. Since trading of our Equity Shares will be in dematerialized mode, the tradable lot is one Equity Share.

Allocation and Allotment of Equity Shares through this Issue will be done only in electronic form in multiples of one Equity Share to the successful Bidders subject to a minimum Allotment of [●] Equity Shares. For details of Allocation and Allotment, please refer the chapter titled "*Issue Procedure*" on page 151 of the Draft Red Herring Prospectus.

Jurisdiction

The jurisdiction for the purpose of this Issue is with competent courts/authorities in Mumbai, India.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidder, 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 allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in this manner prescribed. A fresh nomination can only be made on the prescribed form available on request at the registered office of our Company or with 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 monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in this Issue will be made only in dematerialized mode, there is no need to make a separate nomination with us. Nominations registered with respective Depository Participant of the applicant would prevail. If the investors require a change the nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

If we do not receive the minimum subscription of 90% of the Net Issue to Public amount including devolvement of Underwriters within 60 days from the Bid/Issue Closing Date, 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 as per Section 73 of the Companies Act, 1956.

If the number of allottees in the proposed Issue is less than 1,000 allottees, our Company shall forthwith refund the entire subscription amount received. If at least 10% of the Net Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. If there is a delay beyond 15 days after our Company becomes liable to pay the amount, our Company shall pay interest at the rate 15% per annum for the delayed period.

Withdrawal of the Issue

Our Company in consultation with the BRLM, reserves the right not to proceed with the Issue at any time including after the Bid/Issue closing Date until final Allotment of the Equity Shares in the Issue without assigning any reason thereof. Notwithstanding the forgoing the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which the Company shall apply only after allotment; and (ii) the final RoC approval of the Prospectus and after the same is filed with the Stock Exchanges.

Arrangements for Disposal of Odd Lots

Our Company's shares will be traded in dematerialized form only and therefore the marketable lot is one (1) share. Therefore, there is no possibility of odd lots.

Restriction on Transfer and Transmission of 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 section titled "*Main Provisions of the Articles of Association*" on page 184 of the Draft Red Herring Prospectus.

There is no reservation for Non Residents, NRIs, FIIs, Multi-lateral and Bi- Lateral Financial Institutions and Foreign Venture Capital Funds and all Non Residents, NRI, FII, Multi-lateral and Bi- Lateral Financial Institutions and Foreign Venure Capital Fund Bidders will be treated on the same basis as other categories for the purpose of allocation. As per the policy of RBI, Overseas Corporate Bodies cannot participate in the Issue.

Application by Non Residents/NRIs/FIIs

There is no reservation for Non Residents, NRIs, FIIs and Foreign Venture Capital Funds and all Non Residents, NRI, FII and Foreign Venture Capital Fund applicants will be treated on the same basis with other categories for the purpose of Allocation.

As per the policy of the RBI, Overseas Corporate Bodies cannot participate in the Issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act"), or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

ISSUE STRUCTURE

Issue of [●] Equity Shares at a price of Rs. [●] for cash aggregating Rs. 5,250 lacs including Promoters' Contribution of Rs. 1,650 lacs, and a Net Issue of [●] Equity Shares at a price of Rs. [●] for cash aggregating Rs. 3,600 lacs. There shall be a Green Shoe Option of up to [●] Equity Shares for cash at a price of Rs. [●] per Equity Share aggregating Rs. 787.50 lacs. The Net Issue would constitute [●]% of the post Issue paid-up capital of the our Company if the Green Shoe Option is not excersiced and [●]% assuming the Green Shoe Option is excersiced to the full.

The Issue is being made through the 100% Book Building Process.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares in the event that the Green Shoe Option ^{##} is exercised in full*	Upto [●] Equity Shares shall be available for Allocation (subject to mandatory Allotment of [●] Equity Shares ^{***}) to QIBs; of which up to [●] Equity Shares shall be available for Allocation to Mutual Funds only.	Not less than [●] Equity Shares	Not less than [●] Equity Shares
Number of Equity Shares in the event that the Green Shoe Option is not exercised*	Upto [●] Equity Shares shall be available for Allocation (subject to mandatory Allotment of [●] Equity Shares ^{***}) to QIBs; of which at least [●] shall be available for Allocation to Mutual Funds only.	Not less than [●] Equity Shares	Not less than [●] Equity Shares
Percentage of Issue Size available for Allocation*	Upto 50% of the Net Issue (subject to mandatorily minimum 10% of the Issue ^{***}) shall be available for Allocation to QIBs or subject to the preceding condition that the QIB Portion may be Net Issue size less allocation to Non-Institutional Bidders and Retail Individual Bidders. Out of the portion available for Allocation to the QIBs, 5% will be available for Allocation on a proportionate basis to Mutual Funds only. Mutual Fund Bidders shall also be eligible for proportionate Allocation under the balance portion available for the QIBs.	Not less than 15% of the Net Issue to Public or Net Issue to Public less allocation to QIB bidders and Retail Individual Bidders (subject to mandatory minimum Allotment of at least 10% of the Issue to QIBs).	Not less than 35% of the Net Issue to Public or Net Issue to Public less allocation to QIB bidders and Non-Institutional Bidders (subject to mandatory minimum Allotment of at least 10% of Issue to QIBs).

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Basis of Allocation if respective category is oversubscribed	Proportionate as follows: (a) [•] Equity Shares shall be available for Allocation on a proportionate basis to Mutual Funds; and (b) [•] Equity Shares shall be available for Allocation on a proportionate basis to all QIBs including Mutual Funds receiving Allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of [•] Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds Rs 1,00,000 and in multiples of [•] Equity Shares thereafter.	[•] Equity Shares and in multiples of [•] Equity Share thereafter.
Maximum Bid	Not exceeding the size of the Net Issue subject to applicable limits	Not exceeding the size of the Net Issue subject to applicable limits	Such number of Equity Shares whereby Bid Amount does not exceed Rs. 1,00,000
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Trading Lot/ Market Lot	One Equity Share	One Equity Share	One Equity Share
Allotment Lot	[•] Equity Shares and in multiples of one thereafter	[•] Equity Shares and in multiples of one thereafter	[•] Equity Shares and in multiples of one thereafter
Who can Bid	Public financial institution as defined in section 4A of the Companies Act, 1956; scheduled commercial bank; mutual fund registered with the Board; foreign institutional investor and sub-account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual; multilateral and bilateral development financial institution; venture capital fund registered with SEBI; foreign venture capital investor registered with SEBI; state industrial	All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 100,000/-.	Resident Indian individuals, HUF (in the name of Karta), Eligible NRIs applying for Equity Shares such that the Bid Amount does not exceed Rs. 100,000 in value.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
	development corporation; insurance company registered with the Insurance Regulatory and Development Authority (IRDA); provident fund with minimum corpus of Rs. 2,500 Lacs; pension fund with minimum corpus of Rs. 2,500 Lacs); National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India.		
Terms of Payment	Margin Amount applicable to QIB Bidders at the time of submission of Bid-cum-Application Form to the Member of Syndicate.	Margin Amount applicable to Non-institutional Bidder at the time of submission of Bid-cum-Application Form to the Member of Syndicate.	Margin Amount applicable to Retail Individual Bidder at the time of submission of: (i) Bid-cum-Application Form to the Member of Syndicate; or (ii) submission of ASBA Form to SCSB.
Margin Amount	At least 10% of the Bid Amount in respect of Bids placed by QIB Bidder on Bidding.	Full Bid Amount on Bidding	Full Bid Amount on Bidding.

* Subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in the QIB Portion (subject to mandatory Allotment of 10% of the Issue to QIBs), Non-Institutional Portion, Retail Individual Portion would be allowed to be met with spillover inter-se from any of the other categories, at the sole discretion of our Company in consultation with the BRLM and the Designated Stock Exchange subject to applicable provisions of the SEBI Guidelines.

Additional Allotment to each of these categories would be made on a pro rata basis to the extent of the Green Shoe Option Portion.

If the aggregate demand by Mutual Funds is less than [●] Equity Shares aggregating Rs. [●] million, the balance Equity Shares available for allocation in the Mutual Fund reservation will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids.

** In case the Bid-Cum-Application 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.

*** If at least 10% of the Issue cannot be allocated to QIB Bidders, then the entire application money will be refunded forthwith.

- # After the Bid/Issue Closing Date, depending upon the level of subscription, additional Margin Amount, if any, may be called from the QIB Bidders.
- ## As per Chapter VIIIA of the SEBI Guidelines, the Green Shoe Option will be utilized for stabilising the postlisting price of the Equity Shares. We have appointed IDBI Capital Market Services Limited as the Stabilizing Agent. The Green Shoe Option consists of the option to over allot up to [•] Equity Shares of Rs. 10 each at a price of Rs. [•] per share aggregating Rs. 787.50 lacs representing [•] % of the Issue, exercisable during the period commencing from the date of obtaining trading permission from the Stock Exchanges for the Equity Shares of the Company and ending 30 days thereafter, unless terminated earlier by the Stabilizing Agent. The Green Shoe Option will be exercised at the discretion of the BRLM and the Company. Mr. Vinod Kumar Chaturvedi and Mr. Manoj Chaturvedi as the Green Shoe Lenders have agreed to lend Equity Shares, which shall not be in excess of 15% of the Issue to the Stabilizing Agent.

ISSUE PROCEDURE

BOOK BUILDING PROCEDURE

This Issue is being made through a 100% Book Building Process wherein upto 50% of the Net Issue (subject to mandatorily minimum 10%) will be allocated to Qualified Institutional Buyers (QIBs) on a proportionate basis, subject to valid bids being received at or above the Issue Price. Out of the portion available for allocation to the QIBs, 5% will be available for allocation to Mutual Funds only. Mutual Fund Bidders shall also be eligible for proportionate allocation under the balance available for the QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net 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.

Bidders are required to submit their Bids through the members of the Syndicate / SCSBs. We, in consultation with the BRLM reserve the right to reject any QIB Bid procured by any or all members of the Syndicate provided the rejection is at the time of receipt of such Bid and the reason for rejection of the Bid is communicated in writing to the Bidder at the time of rejection of the Bid. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company would have a right to reject the Bids only on technical grounds.

Investors should note that Equity Shares will be allotted to successful Bidders only in the dematerialised form. Bidders will not have the option of getting allotment in physical form. The Equity Shares, on allotment shall be traded only in the dematerialised segment of the Stock Exchange(s).

BID-CUM-APPLICATION FORM

(a) QIB, Non Institutional and Retail Individual Bidders

Bidders shall only use the specified Bid-cum-Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. 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 the allocation of Equity Shares, dispatch of the Confirmation of Allocation Note, ("CAN"), and filing of the Prospectus with the Registrar of Companies of Maharashtra at Mumbai the Bid-cum-Application Form shall be considered as the Application Form. Upon completing and submitting the Bid-cum-Application Form to a member of the Syndicate, the Bidder is deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus and the Bid-cum-Application Form as would be required for filing the Prospectus with the Registrar of Companies of Maharashtra at Mumbai and as would be required by Registrar of Companies of Maharashtra at Mumbai after such filing, without prior or subsequent notice of such changes to the Bidder.

(b) Resident Retail Individual Bidders using the ASBA process

Resident Retail Individual Bidders shall only use the specified Bid-cum-Application Form bearing the stamp of a SCSB for the purpose of making a Bid in terms of the Red Herring Prospectus. The Bidder shall have only one option to make a Bid in the Bid-cum-Application Form with respect to the number of shares bid for. Upon the Allocation of Equity Shares, intimation to the SCSBs of the respective Bidders under ASBA process and filing of the Prospectus with the Registrar of Companies of Maharashtra at Mumbai the Bid-cum-Application Form shall be considered as the Application Form. Upon completing and submitting the Bid-cum-Application Form to a SCSB, the Bidder is deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus and the Bid-cum-Application Form as would be required for filing the Prospectus with the Registrar of Companies of Maharashtra at Mumbai and as would be required by Registrar of Companies of Maharashtra at Mumbai after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Indian public or NRI applying on a non-repatriation basis	[●]
Non-residents including NRIs, FIIs, Foreign Venture Capital Fund registered with SEBI, Multilateral and Bilateral Development Financial Institutions applying on repatriation basis	[●]
Resident Retail Individual Investor bidding /applying under ASBA	[●]

WHO CAN BID

(a) QIB, Non Institutional and Retail Individual Bidders

1. Indian nationals resident in India who are majors, in single or joint names (not more than three);
2. Hindu Undivided Families or 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;
3. Companies and corporate bodies not having majority ownership and control of persons resident outside India and societies registered under the applicable laws in India and authorized to invest in the Equity Shares;
4. Indian Mutual Funds registered with SEBI;
5. Indian Financial Institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations, as applicable);
6. Venture Capital Funds registered with SEBI;
7. FIIs registered with SEBI.
8. Foreign Venture Capital Funds registered with SEBI;
9. State Industrial Development Corporations;
10. Multilateral and bilateral development financial institutions;
11. Insurance companies registered with the Insurance Regulatory and Development Authority;
12. Provident funds with minimum corpus of Rs. 2,500 lacs and who are authorized under their constitution to hold and invest in Equity Shares;
13. Pension funds with minimum corpus of Rs. 2,500 lacs and who are authorized under their constitution to hold and invest in Equity Shares;
14. Trust/ society registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts/ society and who are authorized under their constitution to hold and invest in Equity Shares; and
15. Eligible NRIs and other Non Residents including FIIs on a repatriation basis or non-repatriation basis subject to applicable laws; and
16. Scientific and/ or Industrial Research Organizations authorized to invest in Equity Shares.
17. Persons otherwise eligible to invest under all applicable laws, rules, regulations and guidelines.

As per existing regulations, OCBs cannot Bid in this Issue. Sub-accounts of FII's who are foreign corporates or foreign individuals are not QIBs, and hence cannot Bid in the QIB Portion in the Issue.

(b) Resident Retail Individual Bidders using the ASBA process

1. Resident Retail Individual Investors
 - (a) whose bids do not exceed Rs.1,00,000/- in value
 - (b) who are bidding at cut-off with single option as to number of shares bid for,
 - (c) who is applying through blocking of funds in a bank account with the SCSB
 - (d) who has agreed not to revise his / her bid
 - (e) is not bidding under any of the reserved categories
2. Indian nationals resident in India who are majors, in single or joint names (not more than three);

3. Hindu Undivided Families or 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;

Notes:

- a) The BRLM and the Syndicate Members shall not be entitled to participate in this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLM and Syndicate Members are entitled to Bid and subscribe to Equity Shares in the Issue either in the QIB Portion or in the Non-Institutional Portion, as may be applicable to such investors, where the Allotment will be on a proportionate basis. Such Bidding and subscription may be on their own account or on behalf of their clients.
- b) Bidders are advised to ensure that any single Bid from them does not exceed the investment limit or maximum number of Equity Shares that can be held by them under applicable law, rules, regulations, guidelines and approvals whichever is lower.

The information above and otherwise contained in this Section as regards investment laws, investment limits, etc. as applicable to various categories of investors is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws, rules, regulations, guidelines or notifications.

HOW TO APPLY – AVAILABILITY OF FORMS, RED HERRING PROSPECTUS AND MODE OF PAYMENT

BIDS BY MUTUAL FUNDS

An eligible Bid by a Mutual Fund shall first be considered for Allocation proportionately in the Mutual Fund Portion. Assuming that the Green Shoe Option is not exercised and in the event that the demand is greater than [●] 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, after excluding the Allocation in the Mutual Fund Portion.

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No Mutual Fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry-specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

BIDS BY NRIs

Bid-cum-Application Forms will be made available for Eligible NRIs at our Registered Office, with members of the Syndicate and with the Registrar to the Issue.

Eligible NRI Bidders may please 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 under the Eligible NRI category on repatriable 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 with the Reserve Bank of India through an authorised dealer along with a KYC (Know Your Client) report issued by the their banker. Eligible NRIs

who may be Allotted Equity Shares of our Company in the Issue are required to facilitate the issue of the above said report to be furnished to RBI. The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the application form meant for Resident Indians (white in colour).

Non-Residents Indians require the approval of the RBI for subscribing to partly paid up Equity Shares and copy of such approval should be submitted along with the Bid-cum-Application Form.

BIDS BY FIIs

As per current regulations, the following restrictions are applicable for investment by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of the post-issue paid-up capital of our Company (i.e. 10% of [•] Equity Shares of Rs. 10 each). 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 or 5% of the total issued capital of our Company in case such sub-accounts is a foreign corporate or an individual.

Sub-accounts of FII's who are foreign corporates or foreign individuals are not QIBs, and hence cannot Bid in the QIB Portion in the Issue.

As of now, the aggregate FII holding in our Company cannot exceed 24% of the total issued capital of our Company. 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 100%. However, as on this date no such resolution has been recommended to the shareholders of our Company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII or its sub-account other than a sub-account which is a foreign corporate or foreign individual may issue, deal or hold, off-shore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed on any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance with "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Bids by ASBA Investors

Application for bids to the Issue can also be made through an alternate process of bidding introduced by SEBI known as Application Supported by Blocked Amount (ASBA). An ASBA investor shall submit an ASBA physically or electronically through the internet banking facility, to the SCSB with whom the bank account to be blocked, is maintained. The SCSB will then block the application money in the bank account specified in the ASBA, on the basis of an authorisation to this effect given by the account holder in the ASBA. The application money will remain blocked in the bank account till finalisation of the basis of allotment in the issue or till withdrawal/ failure of the issue or till withdrawal/ rejection of the application, as the case may be. The application data will thereafter be uploaded by the SCSB in the electronic bidding system through a web enabled interface provided by the Stock Exchanges. The Registrar to the Issue shall finalise the basis of allotment and submit it to the Designated Stock Exchange for approval. The Registrar to the Issue shall reject multiple ASBAs determined as such, based on common PAN. Once the basis of allotment is approved by the Designated Stock Exchange, the Registrar to the Issue shall provide the following details to the CB of each SCSB, along with instructions to unblock the relevant bank accounts and transfer the requisite money to the Issuer's account within the timelines specified in the ASBA process:

- (i) Number of shares to be allotted against each valid ASBA;
- (ii) Amount to be transferred from the relevant bank account to the Issuer's account, for each valid ASBA;

- (iii) The date by which the funds referred to in sub-para (ii) above, shall be transferred to the Issuer's account;
- (iv) 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 bank accounts.

SCSBs shall unblock the relevant bank accounts for:

- (i) Transfer of requisite money to the issuer's account against each valid ASBA.
- (i) Withdrawn/ rejected/ unsuccessful ASBAs.

The CB of each SCSB shall confirm the transfer of requisite money against each successful ASBA to the Registrar to the Issue. The Registrar to the Issue shall credit the shares to the demat account of the successful ASBA investors.

In case an ASBA investor wants to withdraw his/ her ASBA during the bidding period, he/ she shall submit his/ her withdrawal request to the SCSB, which shall do the necessary, including deletion of details of the withdrawn ASBA from the electronic bidding system of the Stock Exchange(s) and unblocking of funds in the relevant bank account.

In case an ASBA investor wants to withdraw his/ her ASBA after the Bid/Issue closing date, he/ she shall submit his/ her withdrawal request to the Registrar to the Issue, The Registrar shall delete the withdrawn bid from the bid file.

The ASBA investors are advised to fill the Depository Participant Identification Number, Client Identification Number, BID Quantity and PAN clearly in the ASBA Form which shall be uploaded by the SCSB in the electronic bidding system provided by the Stock Exchange(s) which is matched by the Registrar to the Issue with the depository database for the correctness of the Depository Participant Identification Number, Client Identification Number and PAN. In the event of any error in the abovementioned details the ASBA shall be rejected.

Further, In case of withdrawal/ failure of the issue, the amount will be unblocked by the SCSB on receipt of information from the BRLM.

BIDS BY SEBI REGISTERED VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS

As per the current regulations, the following restrictions are applicable for investments by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors.

The SEBI (Venture Capital Funds) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on the Venture Capital Funds and Foreign Venture Capital Investors registered with SEBI. Accordingly, holding in our Company by any individual Venture Capital Fund registered with SEBI should not exceed 25% of the corpus of such Venture Capital Fund.

Pursuant to the SEBI Guidelines, 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 at least one (1) year prior to the time of filing the draft prospectus with SEBI.

The above information is given for the benefit of the Bidders. Bidders are advised to make their own enquiries about the limits applicable to them. Our Company and the BRLM do not accept any responsibility for the completeness and the accuracy of the information stated hereinabove. Our Company and the BRLM are not liable to inform the investors of any amendments or modification or changes in applicable laws or regulations, which may happen after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

MAXIMUM AND MINIMUM BID SIZE

For Retail Individual Bidders: The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000 (*Investors may note that total Bid Amount is not just the amount payable at application but the entire amount payable for the bid including the amount payable by Due Date for Balance Amount Payable*). In case the Bid amount is more than Rs. 100,000 due to revision of the Bid, the Bid would be considered for Allocation under the Non-Institutional Bidders category. The Cut-off Price option is available only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the Issue Price as determined at the end of the Book Building Process.

For Non-Institutional Bidders and QIB Bidders: The Bid must be for a minimum of such Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the size of the 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 existing SEBI Guidelines, a QIB Bidder is not permitted to withdraw its Bid after the Bid/Issue Closing Date** and is required to pay QIB Margin Amount upon submission of the Bid. In case of revision of Bids, the Non Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids, such Bids would be considered for Allocation under the Retail Portion. Non Institutional Bidders and QIB Bidders are not allowed to Bid at the Cut-Off Price.

For Resident Retail Individual Bidders bidding through ASBA process: The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 100,000.

ASBA investors can bid only at cut-off and have only one option as to the number of shares bid for.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.

INFORMATION FOR BIDDERS

- Our Company will file the Red Herring Prospectus with the Registrar of Companies, at least 3 (three) days before the Bid/Issue Opening Date.
- The Company, and the BRLM shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with the RoC and also publish the same in three widely circulated newspapers (one each in English, Hindi and regional language). This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Schedule XX – A of the SEBI DIP guidelines, as amended by SEBI Circular No. SEBI/CFD/DIL/DIP/14/2005/25/1 date January 25, 2005.
- Any investor (who is eligible to invest in our Equity Shares) desirous of obtaining a copy of the Red Herring Prospectus and/or the Bid-cum- Application Form can obtain the same from our Registered Office, BRLM or from any of the members of the Syndicate.
- The Members of the Syndicate shall accept Bids from the Bidder during the Issue Period in accordance with the terms of the Syndicate Agreement.
- The Bids should be submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Forms should bear the stamp of a member of the Syndicate. Bid-cum-Application Forms, which do not bear the stamp of the members of the Syndicate, will be rejected.
- The Bidding/Issue Period shall be for a minimum of three working days and not exceeding seven working days. In case of revision in the Price Band, the Bidding/ Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bidding/ Issue Period, if applicable, will be widely disseminated by notification to SCSBs,

BSE and NSE, by issuing a public notice in three widely circulated newspapers (one each in English and Hindi) and one newspaper in the regional language, and also by indicating the change on the websites of the BRLM and at the terminals of the Syndicate Members.

- The Price Band has been fixed at Rs. [●] to Rs. [●] per Equity Share. The Bidders can bid at any price within the Price Band, in multiples of Rs.[●].
- The Company in consultation with the BRLM reserves the right to revise the Price Band, during the Bidding/Issue Period, in accordance with SEBI Guidelines. The higher end of the Price Band should not be more than 20% of the lower end of the Price Band. Subject to compliance with the immediately preceding sentence, the lower end of the Price Band can move up or down to the extent of 20% of the lower end of the Price Band disclosed in the Red Herring Prospectus.
- Our Company in consultation with the BRLM can finalise the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.

METHOD AND PROCESS OF BIDDING

- Our Company, and the BRLM shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with Registrar of Companies, Maharashtra and also publish the same in three widely circulated newspapers (one English national newspaper, one Hindi national newspaper and one regional language newspaper). This advertisement shall contain the disclosures as prescribed in Schedule XX-A of the SEBI Guidelines, as amended from time to time. The BRLM and Syndicate Members shall accept Bids from the Bidders during the Issue Period.
- The Bidding Period shall be a minimum of three working days and shall not exceed seven working days. In case the Price Band is revised, the revised Price Band and Bidding Period will be published in two national newspapers (one each in English and Hindi) and one regional language newspaper by indicating on the websites of the BRLM and at the terminals of the members of the Syndicate. The Bidding Period may be extended, if required, by an additional three working days, subject to the total Bidding Period not exceeding 10 working days. 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 titled “*Bids and Revision of Bids*” below on page 158 of the Draft Red Herring Prospectus and specify the demand (i.e. the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the 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 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.
- 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. Submission of a second Bid-cum-Application Form to either the same or to another member of the Syndicate 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 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 “*Build up of the Book and Revision of Bids*” on page 162 of the Draft Red Herring Prospectus.
- The Members of the Syndicate will enter each bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“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. It is the responsibility of the Bidder to obtain the TRS from the Members of the Syndicate.
- During the Bidding Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients / investors who place orders through them and shall have the right to vet the Bids subject to the terms of the Syndicate Agreement and the Red Herring Prospectus.
- Along with the Bid-cum-Application Form, all Bidders will make payment in the manner described under the paragraph “*Terms of Payment and Payment into Escrow Accounts*” on page 160 of the Draft Red Herring Prospectus.

BIDS AT DIFFERENT PRICE LEVELS

The Issue Price will be determined by our Company in consultation with the BRLM on the basis of assessment of the market demand for the Equity Shares, by way of the Book Building Process. The Price Band will be inserted in the Red Herring Prospectus filed with RoC.

The Price Band has been fixed at Rs. [●] to Rs. [●] per Equity Share, Rs. [●] being the Floor Price and Rs. [●] being the Cap Price. The Bidders can Bid at any price within the Price Band, in multiples of Re 1 (Rupee one).

Our Company in consultation with the BRLM reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Guidelines by informing the SCSBs, Stock Exchanges, releasing a press release, disclosure on the website of the members of the Syndicate, if any and notification on the terminal of the members of the Syndicate. In case of a revision in the Price Band, the Issue will be kept open, if required, for a period of three (3) working days after the revision of the Price Band, subject to the total Bidding Period not exceeding ten (10) working days. Our Company in consultation with BRLM can finalise the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders. The higher end of the Price Band should not be more than 20% of the lower end of the Price Band. Subject to compliance with the immediately preceding sentence, the lower end of the Price Band can move up or down to the extent of 20% of the lower end of the Price Band disclosed in the Red Herring Prospectus.

- (a) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders must Bid at or above the Cut-off Price. However, Bidding at the Cut-off Price is prohibited for QIBs or Non Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.
- (b) Retail Individual Bidders who Bid at the Cut-Off Price, agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders, In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), Retail Individual Bidders shall receive the refund of the excess amounts from the Refund Account in accordance with the paragraph titled "*Payment of Refund*" beginning on page 181 of the Draft Red Herring Prospectus.
- (c) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain [●] Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.
- (d) 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 higher end of the Revised Price Band (such that the total amount i.e., original Bid Price plus additional payment does not exceed Rs. 1,00,000 for Retail Individual Bidders, if such Bidder wants to continue to bid at Cut-off Price), with the Syndicate Members to whom the original Bid was submitted. In case the total amount (i.e., original Bid Price plus additional payment) exceeds Rs. 100,000 for Retail Individual Bidders the Bid will be considered for allocation under the Non-Institutional Portion in terms of the 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 higher end of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted downwards for the purpose of Allotment, such that the no additional payment would be required from such Bidder and such Bidder is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding would be refunded from the Refund Account.

OPTION TO SUBSCRIBE

Equity Shares being offered through the Red Herring Prospectus can be applied for in dematerialized form only.

ESCROW MECHANISM (not applicable to ASBA Investors)

Escrow Account

Our Company shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour 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 Bidders in a certain category would be deposited in the Escrow Account. The Escrow Collection Banks will act in terms of the Red Herring Prospectus and an Escrow Agreement. The monies in the Escrow Account shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. 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 and the Refund Account as per the terms of the Escrow Agreement, the Red Herring Prospectus and the Prospectus. Payments of refunds to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement, the Red Herring Prospectus and the 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), Refund Bank(s), our Company, the Registrar, BRLM and Syndicate Members to facilitate collections from the Bidders.

TERMS OF PAYMENT AND PAYMENT INTO THE ESCROW ACCOUNT (not applicable to ASBA Investors)

Each Bidder shall pay the applicable Margin Amount with the Bid Cum Application Form through a cheque or demand draft for the maximum amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) (for details please see the sub-section titled "*Payment Instructions*" beginning on page 160 of this Draft Red Herring Prospectus) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid Cum Application Forms accompanied by cash or stockinvest shall not be accepted. The maximum Bid price has to be paid at the time of submission of the Bid Cum Application Form based on the highest bidding option of the Bidder.

The Bidders may also provide the applicable Margin Amount through an electronic transfer of funds through the RTGS mechanism. Each QIB shall provide the QIB Margin Amount only through a BRLM.

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 Bidders till such time as 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 with one of the Escrow Collection Banks. . The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account maintained by the Refund Bank, and not later than 15 days from the Bid/Issue Closing Date , the Refund Bank shall refund all monies to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for Allotment to the Bidders.

Each category of Bidders (i.e. QIBs, Non Institutional Bidders and Retail Individual Bidders) would be required to pay their applicable Margin Amount at the time of submission of the Bid Cum Application Form. The Margin Amount payable by each category of Bidders is mentioned in the section titled "Issue Structure" beginning on page 147 of this Draft Red Herring Prospectus. After the Bid/Issue Closing Date, the level of subscription in all categories shall be determined. Based on the level of subscription, additional margin money, if any, shall be called from the QIB Bidders. If such additional margin money is not paid into the appropriate Escrow Account within the time and in the manner stipulated above, the Bid of such QIB Bidder is liable to be rejected. Further we may call for additional Margin amount over and above the minimum prescribed 10% Margin Amount from certain QIBs at our discretion prior to acceptance of the Bid anytime upto the Bid/Issue Closing date and shall have the right to reject such bids on technical ground in case of non-receipt of such additional margin. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be

payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLM, and would be specified in the CAN. If the payment is not made favouring the relevant Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the members of the Syndicate do not accept such margin payment, the full amount of payment has to be made at the time of submission of the Bid-Cum-Application-Form.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for allocation, will be refunded to such Bidder within 15 days from the Bid/Issue Closing Date, failing which and our Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

ELECTRONIC REGISTRATION OF BIDS (not applicable to ASBA Investors except for sub-clauses (h) and (i), which are applicable to all categories of investors.)

- (a) The members of the Syndicate will register the Bids using the on-line facilities of BSE and NSE. There will be at least one on-line connectivity in each city where a stock exchange is located in India and where Bids are being accepted.
- (b) BSE and NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorised agents during the Bidding Period. Members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. Pursuant to a recent amendment, the SEBI Guidelines require that the Bidding terminals shall contain an online graphical display of demand and Bid prices updated at periodic intervals, not exceeding 30 minutes. On the Bid/Issue Closing Date, the member of the Syndicate shall upload the Bids until such time as may be permitted by the Stock Exchanges. Bidders are cautioned that a high inflow of Bids, typically experienced on the last day of bidding, may lead to some Bids received on the last day not being uploaded, due to lack of sufficient uploading time and such Bids that could not be uploaded may not be considered for Allocation.
- (c) Aggregate demand and price for Bids registered on the electronic facilities of the BSE and the NSE will be uploaded on a regular basis, consolidated and displayed on-line at all the Bidding centers and the websites of the BSE and the NSE. Pursuant to a recent amendment, the SEBI Guidelines require that the Bidding terminals shall contain an online graphical display of demand and Bid prices updated at periodic intervals, not exceeding 30 minutes. A graphical representation of consolidated demand and price would be made available at the Bidding centers during the Bidding Period.
- (d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the online system:
 - Name of the Bidder (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 –Individual, Corporate, QIB, Eligible NRI, FII, or Mutual Fund, etc;
 - Number of Equity Shares Bid for;
 - Bid price;
 - Bid-cum-Application Form number;
 - Whether payment is made upon submission of Bid-cum-Application Form;

- Margin Amount paid upon submission of Bid-cum-Application Form; and
 - Depository Participant Identification No. and Client Identification No. of the Demat Account of the Bidder
- (e) 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 obtain the TRS from the members of the Syndicate.** The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or our Company.
- (f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (g) In case of QIB Bidders, Bids shall be submitted to the BRLM only and it shall have the right to accept or reject the Bid. However, such rejection should be made at the time of acceptance of the Bid-cum-Application Form 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, Bids shall not be rejected except on the technical grounds listed on page [●] of the Draft Red Herring Prospectus
- (h) It is to be distinctly understood that the permission given by the BSE and the NSE 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, or the BRLM are cleared or approved by the BSE and the NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company
- (i) It is also to be distinctly understood that the approval given by the BSE and the NSE should not in anyway be deemed or construed that the Draft Red Herring Prospectus has been cleared or approved by the BSE or the NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and the NSE.

BUILD UP OF THE BOOK AND REVISION OF BIDS

The Issue Price will be determined by the Company in consultation with the BRLM, on the basis of assessment of the market demand for the Equity Shares, by way of the Book Building Process. The Price Band will be decided by us in consultation with the BRLM and inserted in the Red Herring Prospectus filed with RoC.

- a) Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the BSE or NSE mainframe on a regular basis. Pursuant to recent amendments, the SEBI Guidelines require that the Bidding terminals shall contain online graphical display of demand and Bid prices updated at periodic intervals not exceeding thirty minutes.
- b) The book gets built up at various price levels. This information will be available with the BRLM on a regular basis.
- c) During the Bidding Period, any Bidder who has registered his or her interest in the 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. **However, the right to revise Bids is not available to ASBA Investors, and the provisions of this paragraph titled "Build up of the Book and Revision of Bids" and otherwise in this chapter titled "Issue Procedure" pertaining to revision of Bids shall be applicable only to non-ASBA Investors.**
- d) Revisions can be made in both the desired number of 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 or earlier Revision Form. For example, if a Bidder has bid for three options in the 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 unchanged. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

- e) 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 through whom he or she 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.
- f) 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. 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. In case of QIBs, the members of the Syndicate shall collect the payments in the form of cheque or demand draft or the electronic transfer of funds through RTGS for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.
- g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the Syndicate. 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.
- h) Only Bids that are uploaded on the online IPO system of the BSE and the NSE shall be considered for Allocation/ Allotment. In case of discrepancy of data between the Bids registered on the online IPO system of the BSE and the NSE and physical Bid-cum-Application Form, the decision of our Company, in consultation the BRLMs, the Co-BRLM and the Designated Stock Exchange, based on the physical records of Bid-cum-Application Forms shall be final and binding on all concerned.

PRICE DISCOVERY AND ALLOCATION

- (a) After the Bid/Issue Closing Date, the BRLM will analyze the demand generated at various price levels and discuss pricing strategy with our Company.
- (b) Our Company, in consultation with the BRLM shall finalise the “Issue Price” and the number of Equity Shares to be allotted in each investor category.
- (c) The Allocation for QIBs shall be upto 50% of the Net Issue (subject to mandatory allotment of minimum 10% of the Issue size to QIBs) on a proportionate basis, subject to valid Bids being received at or above the Issue Price, of which 5% shall be reserved for Mutual Funds, would be on a proportionate basis. The availability for Allocation to Non-Institutional Bidders, and Retail Individual Bidders of not less than 15% and 35% of the Net Issue, respectively, would be on proportionate basis, in consultation with the Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price. If at least 10% of the Issue cannot be Allotted to QIBs, the entire application monies will be refunded.
- (d) In the case of over-subscription in all categories, upto 50% (subject to the mandatory 10% Allotment) of the Net Issue to the Public shall be Allocated on a proportionate basis to Qualified Institutional Buyers, of which 5% shall be reserved for Mutual Funds only. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for Allocation in the remaining QIB Portion. However, if the aggregate demand by Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares from the portion specifically available for Allocation to Mutual Funds in the QIB Portion will first be added to the QIB Portion and be Allocated proportionately to the QIBs.
- (e) Under subscription, if any, in any category (subject to mandatory minimum of 10% being allotted to QIBs) shall be allowed to be met with spillover from the other categories, at the sole discretion of our Company

and the BRLM. Allocation in all the aforesaid categories shall be on a proportionate basis. If at least 10% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. Such spillover, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.

- (f) The BRLM in consultation with our Company, shall notify the member of the Syndicate of the Issue Price and Allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
- (g) Allotment to Eligible NRIs, FIIs or Mutual Funds or FVCIs will be subject to applicable laws, rules, regulations, guidelines and approvals.
- (h) Our Company reserves the right to withdraw the Issue any time after the Bid/Issue Opening Date but before the Board meeting for Allotment, without assigning any reason whatsoever.
- (i) In terms of SEBI Guidelines, QIB Bidders are not permitted to withdraw their Bid after the Bid/Issue Closing Date.
- (j) The Allotment details shall be put on the website of the Registrar to the Issue.

SIGNING OF UNDERWRITING AGREEMENT AND ROC FILING

- (a) Our Company, the BRLM and the Syndicate Members shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s) to the Bidders.
- (b) After signing the Underwriting Agreement, our Company will update and file the Red Herring Prospectus with the RoC, which then would be termed the 'Prospectus'. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

ANNOUNCEMENT OF PRE-ISSUE ADVERTISEMENT

Subject to Section 66 of the Companies Act, our Company shall, after receiving final observations, if any, on the Draft Red Herring Prospectus from SEBI, publish an advertisement in the form prescribed by the SEBI Guidelines, in three (3) widely circulated newspapers (one English national newspaper, one Hindi national newspaper and one regional language newspaper).

ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS

Our Company will issue a statutory advertisement after the filing of the Prospectus with 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 Equity Shares and the amount payable by an investor. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

ISSUANCE OF CONFIRMATION OF ALLOCATION NOTE (CAN)

After the determination of Issue Price, the following steps would be taken

- (a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been Allocated Equity Shares in the Issue. The approval of the basis of Allotment by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of Allocation for the Retail Individual Bidders and Non-Institutional Bidders. However, Bidders should note that our Company shall ensure that the instructions for demat credit of the Equity Shares to all Bidders, in all categories, shall be given by our Company the same date.

- (b) The BRLM or Syndicate Members would then send the CAN to their Bidders who have been Allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the Balance Amount Payable for all the Equity Shares Allocated to such Bidder. Those Bidders who have not paid the Bid Amount in full into the Escrow Account at the time of Bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.
- (c) Bidders who have been Allocated Equity Shares and who have already paid the Bid Amount into the Escrow Account at the time of Bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realization of their cheque or demand draft paid into the Escrow Account.
- (d) The issuance of CAN is subject to “Notice to QIBs: Allotment Reconciliation and Revised CANs” as mentioned below.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/ NSE system. This shall be followed by a physical book prepared by the Registrar on the basis of Bid-cum-Application Forms received. Based on the electronic book or the physical book, as the case may be, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be sent to QIBs and the Allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased Allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) Our Company will ensure that the Allotment of Equity Shares is completed within 15 days of the Bid/Issue Closing Date.
- (b) After the funds are transferred from the Escrow Accounts and SCSBs to the Issue Account and Refund Account on the Designated Date, our Company will ensure Allotment of the Equity Shares to the Allottees within two (2) working days of date of Allotment. All Allottees will receive credit for the Equity Shares directly in their depository account.
- (c) **Equity Shares will be issued only in the dematerialised form to the Allottees.** Allottees will have the option to re-materialise the Equity Shares so allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

In case, our Company fails to make Allotments within fifteen (15) days of the Bid/Issue Closing Date, interest would be paid to the investors at the rate of 15% p.a.

GENERAL INSTRUCTIONS

Do's:

- (a) Check if you are eligible to apply, with regard to applicable laws, rules, regulations, guidelines and approvals and the terms of the Red Herring Prospectus;
- (b) Complete the Bid-cum-Application Form/ASBA Form after reading all the instructions carefully;
- (c) Ensure that the details about Depository Participant and Beneficiary Account are correct as Equity Shares will be allotted in the dematerialised form only. Bids through the ASBA shall be submitted to any of the designated branches and/ or the controlling branches of the SCSB where the investor has his account;
- (d) Ensure that the Bids are submitted at the Bidding Centers only on forms bearing the stamp of a member of the Syndicate;
- (e) Ensure that you have been given a TRS for all your Bid options;
- (f) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
- (g) Ensure that the Bid is within Price Band;
- (h) Investors must ensure that the name given in the Bid-cum-Application Form/ASBA 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, investors should ensure that the Depository Account is also held in the same sequence as they appear in the Bid-cum-Application Form;
- (i) Ensure that you mention your Permanent Account Number (PAN) allotted under the IT Act, irrespective of the amount of the Bid. Applications in which PAN is not mentioned would be rejected;
- (j) Ensure that Demographic Details (as defined hereinbelow) are updated, true and correct in all respects.

Don'ts:

- (a) Do not Bid for lower than the minimum Bid size;
- (b) Do not Bid/ revise Bid to a price that is less than the lower end of the Price Band or higher than the higher end of the Price Band;
- (c) Do not Bid on another Bid-cum-Application Form/ ASBA Form after you have submitted a Bid to the members of the Syndicate or SCSB respectively;
- (d) Do not pay the Bid amount in cash, by postal order, money order or by Stockinvest;
- (e) Do not send Bid-cum-Application Forms by post; instead submit the same to the members of the Syndicate only;
- (f) Do not fill up the Bid-cum-Application Form such that the Equity Shares Bid for exceeds the Issue size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- (g) Do not bid at Bid Amount exceeding Rs. 100,000, in case you are a Retail Individual Bidder
- (h) Do not submit GIR number instead of PAN as the Bid is liable to be rejected on this ground; and
- (i) Do not submit the Bid without the QIB Margin Amount in case of a Bid by a QIB.

INSTRUCTIONS FOR COMPLETING THE BID-CUM-APPLICATION FORM

Bidders can obtain Bid-cum-Application Forms and / or Revision Forms from the BRLM or Syndicate Members.

Bids and Revision of Bids

Bids and revision of Bids must be:

- (a) Made only in the prescribed Bid-cum-Application Form or Revision Form, as applicable ([●] colour for resident Indians and [●] for Non-residents including Eligible NRIs, FIIs, FVCIs and multilateral and bilateral development financial institutions applying on repatriation basis).
- (b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid-cum-Application Form or in the Revision Form. Incomplete Bid-cum-Application Forms or Revision Forms are liable to be rejected.
- (c) The Bids from the Retail Individual Bidders must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid amount of Rs. 100,000.
- (d) For Non-institutional and QIB Bidders, Bids must be for a minimum of such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount is not less than Rs. 100,000. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under the applicable laws or regulations.
- (e) In single name or in joint names (not more than three and in the same order as their Depository Participant details).
- (f) In the names of individuals or in the names of FIIs or in the names of Foreign Venture Capital Fund, Multilateral and Bilateral Development Financial Institutions but not in the names of minors, firms or partnerships, foreign nationals (excluding NRIs) or their nominees or OCB's.
- (g) Thumb impressions and signatures other than in the languages specified in the Eight Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

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. No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection center of the members of the Syndicate will acknowledge the receipt of the Bid-cum-Application Forms or Revision Forms 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. All DBs of SCSBs shall be deemed as mandatory collection centres.

BIDDER'S DEPOSITORY ACCOUNT DETAILS AND BANK ACCOUNT DETAILS

Bidders must note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant's Identification Number and beneficiary account number provided by them in the Bid-cum-Application Form, the Registrar will obtain, from the Depositories, the Bidders' demographic details such as address, bank account details, occupation etc. (Demographic Details) including the nine digit Magnetic Ink Character Recognition (MICR) code as appearing on a cheque leaf.

These bank account details will be used for giving refund to the Bidders. 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 credit of refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and none of our Company, the Registrar, the Escrow

Collection Bank(s), Bankers to the Issue, Refund Bank(s), 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. Hence, Bidders should carefully fill in their depository account details in the Bid-cum-Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALIZED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID-CUM-APPLICATION FORM. INVESTORS MUST 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, 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.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/ CANs/Allocation advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid-cum-Application Form would not be used for any other purpose 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 authorise the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Bidders may note that 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 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 the Escrow Collection Banks nor the BRLM, nor our Company, nor the Registrars 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, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

BIDS UNDER POWER OF ATTORNEY

In case of Bids made pursuant to a Power of Attorney or by limited companies, corporate bodies, registered societies, 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 by-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 therefore.

In case of Bids made pursuant to a power of attorney by FIIs, 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 their SEBI registration certificate must be submitted 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 therefore.

BIDS BY INSURANCE COMPANIES

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be submitted 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 therefore.

BIDS BY PROVIDENT/PENSION FUNDS

In case of Bids made by provident funds with minimum corpus of Rs. 2,500 lacs and pension funds with minimum corpus of Rs. 2,500 lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be submitted 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 therefore.

In case of Bids made by Mutual Fund registered with SEBI, venture capital fund registered with SEBI and foreign venture capital investor registered with SEBI, a certified copy of their SEBI registration certificate must be submitted 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 thereof.

Our Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous submission of the power of attorney along with the Bid-cum-Application Form, subject to such terms that our Company, the BRLM may deem fit.

Our Company in their absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order / CANs / Allocation advice / refunds through electronic transfer of funds, the Demographic Details given on the 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 BY ELIGIBLE NRIs, FVCIs AND FIIs ON A REPATRIATION BASIS

Bids and revision to Bids must be made:

1. On the Bid-cum-Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
2. In a single name or joint names (not more than three and in the same order as their Depository Participant details).
3. By FIIs for a minimum of such number of Equity Shares and in multiples of [•] thereafter that the Bid Amount exceeds Rs. 1,00,000. For further details see section titled “Maximum and Minimum Bid Size” on page 157 of the Draft Red Herring Prospectus.
4. Bids by NRIs for a Bid Amount of up to or less than Rs. 1,00,000 would be considered under the Retail Individual Bidders Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 1,00,000 would be considered under Non Institutional Bidder Portion for the purposes of allocation; by FIIs or Foreign Venture Capital Fund registered with SEBI, Multilateral and Bilateral Development Financial Institutions for a minimum of such number of Equity Shares and in multiples of [•] Equity Shares thereafter so that the Bid Amount exceeds Rs. 1,00,000; for further details see “Maximum and Minimum Bid Size”.
5. In the names of individuals or in the names of FIIs or in the names of Foreign Venture Capital Fund registered with SEBI, Multilateral and Bilateral Development Financial Institutions but not in the names of minors, firms or partnerships, foreign nationals or their nominees or OCB’s.
6. 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 payable upon submission of the Bid-cum-Application Form or Revision Form 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/speed post. We will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

It is to be distinctly understood that there is no reservation for Eligible NRIs and FIIs. All Eligible NRIs and FIIs will be treated on the same basis with other categories for the purpose of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of 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.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

All applicants will be treated on the same basis with other categories for the purpose of allocation.

Non-Residents can bid for partly paid Equity Shares only if they have obtained the approval of the RBI to subscribe to partly paid Equity Shares and the said approval is submitted along with the Bid-cum-Application Form.

It is to be distinctly understood that there is no reservation for Eligible NRIs, FVCIs and FIIs. All Eligible NRIs, FVCIs and FIIs will be treated on the same basis with other categories for the purpose of Allocation.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

PAYMENT INSTRUCTIONS - PAYMENT INTO ESCROW ACCOUNT (not applicable to ASBA Investors):

Our Company, shall open an Escrow Account with the Escrow Collection Bank(s) for the collection of the Bid Amounts payable upon submission of the Bid-cum-Application Form and for amounts payable pursuant to Allocation in the Issue.

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on Allocation as per the following terms:

- (a) The Bidders for whom the applicable margin is equal to 100% shall, with the submission of the Bid-cum-Application Form draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate.
- (b) In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLM.
- (c) All cheques / bank drafts accompanying the Bid should be crossed "A/c Payee Only" and shall be payable at the place of bidding and drawn in favour of:
 - (i) In case of Promoters: **"Escrow Account – UEPL IPO - Promoter"**.
 - (ii) In case of Resident QIB Bidders: **"Escrow Account – UEPL IPO - QIB - R"**.

- (iii) In case of Non - Resident QIB Bidders: **“Escrow Account – UEPL IPO - QIB - NR”**.
- (iv) In case of Resident Non-Institutional and Retail Individual Bidders: **“Escrow Account – UEPL IPO - R”**.
- (v) In case of Non-Resident Non-Institutional and Retail Individual Bidders: **“Escrow Account – UEPL IPO - NR”**.
- (d) In case of Bids by Eligible NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in 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 a Non Resident ordinary (NRO) Account of a Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE Account or FCNR Account.
- (e) In case of Bids by FIIs, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.
- (f) Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the Balance Amount Payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Account.
- (g) The monies deposited in the Escrow Account will be held for the benefit of the Bidders until Designated Date.
- (h) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account and the surplus amount shall be transferred into the Refund Account maintained with the Refund Bank(s).
- (i) On the Designated Date and no later than fifteen (15) days from the Bid/Issue Closing Date, the Refund Bank(s) shall also refund all amounts payable to unsuccessful bidders and also the excess amount paid on Bidding, if any, after adjusting for Allocation to the Bidders.

Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers’ clearing house located at the centre where the 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/ postal orders will not be accepted.

PAYMENT INSTRUCTIONS – ASBA INVESTORS

In case of bids by ASBA investors on the submission of the ASBA Form with the SCSB the application money in the investor’s account maintained with the respective SCSB shall be blocked till the finalisation of basis of allotment. In case the bank account of the investor does not have sufficient balance to meet the application money the ASBA shall stand rejected. On the basis of allotment being approved by the Designated Stock Exchange the Registrar to the Issue shall instruct the controlling branch of the SCSB to transfer the requisite amount from the relevant bank accounts to the Issuer’s account for each valid ASBA Form. The Registrar shall also inform the SCSB about all the rejected ASBAs and the reason for them being rejected. The SCSB on being so instructed by the Registrar to the Issue, shall unblock the relevant bank accounts for:

- a. Transfer of requisite money to the issuer’s account for each valid ASBA.
- b. Withdrawn/rejected/unsuccessful ASBAs

PAYMENT BY STOCKINVEST

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of bid money has been withdrawn. Accordingly, payment through stockinvest will not be accepted in the Issue.

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 favour of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form (First Bidder). 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 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.

In this regard, the procedures to be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications with the same name, age, status and first line address will be accumulated and taken into a separate process file which would serve as a multiple master document.
1. In this master, a check will be carried out for the same PAN numbers. In cases where the PAN numbers are different, the same will be deleted from this master.
2. The addresses of all these applications from the multiple master will be strung from the address master. This involves including the addresses in a single line after deleting non-alpha and non-numeric characters, i.e. commas, full stops, hashes, etc. Sometime, the name, the first line of the address and pin code will be converted into a string for each application received and a photo match will be carried out among all the applications processed. A print-out of the addresses will be made to check for common names. Applications with the same name will be treated as multiple applications.
3. The applications will be scanned for similar Depository Participant Identification numbers and client identity numbers. In cases where applications bear the same numbers, these will be treated as multiple applications.
4. After the aforesaid procedures, a print-out of the multiple master will be taken out and the applications physically verified to tally signatures and also the father's / husband's names. On completion of this, the applications will be identified as multiple applications.

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.

Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

PERMANENT ACCOUNT NUMBER (PAN)

The SEBI Guidelines 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.

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 Forms (including the ASBA 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)) 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 - MAPIN

SEBI has, 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 use of Unique Identification Number has been discontinued.

REJECTION OF BIDS

In case of QIB Bidders, our Company, in consultation with the BRLM may reject a Bid, provided that such rejection shall be made at the time of acceptance of the Bid and the reasons thereof shall be disclosed to the QIB Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company, in consultation with the BRLM, would have a right to reject such Bids only on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk.

Specific Instructions and grounds for rejection of bids by ASBA Investors

- Check whether you are eligible to apply as an ASBA Investor. If you are not covered by the definition of an "ASBA Investor", the Bid shall be rejected
- Correctly fill in all the details as entered into the Bid-cum-ASBA Form. If the DP ID, Client ID or PAN furnished by the ASBA Investor in his Bid-cum-ASBA Form is incorrect or incomplete, the ASBA shall be rejected and the Issuer or the SCSB shall not be liable for losses, if any. The Registrar to the Issue shall inform each SCSB about errors, if any, in the bid details, along with an advice to send the rectified data within the time as specified by the Registrar.
- The Registrar shall match the reconciled data with the depository's database for correctness of DP ID, Client ID and PAN. In case any DP ID, Client ID or PAN mentioned in the Bid file for Bid Cum ASBA does not match with the one available in the depository's database, such ASBA shall be rejected by the Registrar.
- The Registrar to the Issue shall reject multiple Bid Cum ASBA determined as such, based on common PAN.
- Ensure that multiple Bid Cum ASBA are not submitted
- Ensure that the ASBA Investor is not Bidding under any of the reserved categories, failing which the Bid-cum-ASBA Form shall be rejected.
- Ensure that the bank account specified in the Bid Cum ASBA does have sufficient credit balance to meet the application money, in absence of which the Bid Cum ASBA shall be rejected shall be rejected by the SCSB.
- Ensure that you have authorised the SCSB to do all acts as are necessary to make an application in this Issue, including uploading of his Bid, blocking or unblocking of funds in the bank account maintained with the SCSB specified in the Bid Cum ASBA, transfer of funds to the Public Issue Account on receipt of instruction from the
- Registrar to the Issue after finalisation of the basis of allotment entitling the ASBA Investor to receive shares on such transfer of funds, etc, failing which the Bid-cum-ASBA Form shall be rejected.

- Ensure that you have authorised the Registrar to the Issue to issue instructions to the SCSB to remove the block on the funds in the bank account specified in the ASBA, upon finalisation of the basis of allotment and to transfer the requisite money to the Public Issue Account failing which the Bid-cum-ASBA Form shall be rejected.
- In case any DP ID, Client ID or PAN mentioned in the Bid does not match with the one available in the depository's database, such ASBA shall be rejected by the Registrar and the Issuer or SCSB shall not be liable for losses
- Ensure that you don't submit your Bid Cum ASBA after the closing time of acceptance of Bids on the last day of the bidding period, in which case the same shall be rejected by the SCSB.

GROUNDS FOR TECHNICAL REJECTIONS (including ASBA Forms, unless the context otherwise requires)

Bidders are advised to note that Bids are liable to be rejected, *inter alia*, on the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest number of Equity Shares bid for;
2. Age of First Bidder is not given;
3. Bids are submitted by persons not competent to contract under the Indian Contract Act, 1872, including minors and insane persons;
4. Bidder's PAN is not mentioned in the Bid(except for Bidders exempted from mentioning PAN in terms of SEBI Circular bearing no. MRD/DoP/Cir-20/2008 dated June 30, 2008. ;
5. The Bid is for a lower number of Equity Shares than the minimum number specified for that category of investors;
6. Bids are submitted at a price less than lower end of the Price Band;
7. Bids are submitted at a price more than the higher end of the Price Band;
8. Bids are submitted at Cut-off Price by Non-Institutional Bidders, QIB Bidders;
9. Bids are submitted for number of Equity Shares which are not in multiples of [●];
10. Bidder's category is not ticked;
11. Bids amount to multiple bids as defined in the Draft Red Herring Prospectus;
12. In case of Bids under power of attorney or by limited companies, corporate, trust etc., the requisite documents are not submitted;
13. Bids are accompanied by stockinvest/ money order/postal order/cash;
14. The signature of the sole and / or joint bidders is missing;
15. The Bid-cum-Application Form does not have the stamp of the BRLM or Syndicate Members;
16. The Bid-cum-Application Form does not have Bidder's depository account details;
17. In case no corresponding record is available with the Depository that matches three parameters: name of Bidder (including sequence of names of joint holders), Depository Participant Identification number and beneficiary account number;

18. Bid-cum-Application Forms are not delivered by the Bidders within the time prescribed as per the Bid-cum-Application Form, Bid/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in this Draft Red Herring Prospectus and the Bid-cum-Application Form;
19. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
20. Bids by QIBs that are not submitted through the BRLM;
21. Bids by OCBs;
22. Bid by U.S. residents or U.S persons;
23. In case of partnership firms Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
24. Bids by Non-Residents if not in compliance with applicable foreign and Indian laws, or by any person who is not eligible to acquire Equity Shares in terms of the applicable laws, rules, regulations, guidelines and approvals.
25. If GIR number is mentioned instead of PAN Number
26. Bids by investors who are not eligible to bid using the ASBA process;

EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialised form, (i.e. not in the form of physical certificates but fungible statements issued in an electronic mode).

In this context, two agreements have been signed among us, the respective Depositories and the Registrar to the Issue:

- a) a tripartite agreement dated August 29, 2008 with NSDL, us and Registrar to the Issue;
- b) a tripartite agreement dated September 1, 2008 with CDSL, us and Registrar to the Issue

Bidders will be Allotted Equity Shares only in dematerialised mode. Bids from any investor without relevant details of his or her depository account are liable to be rejected.

- a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants, NSDL or CDSL, prior to making the Bid.
- b) 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 or Revision Form.
- c) 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.
- d) Names in the 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.
- e) Non-transferable allotment advice or refund orders will be directly sent to the Bidder by the Registrar to this Issue.

- f) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid-cum-Application Form or Revision Form, it is liable to be rejected.
- g) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid-cum-Application Form vis-à-vis those recorded with his or her Depository Participant.
- h) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- i) The trading of the Equity Shares of our Company would be in dematerialised 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 Equity Shares applied for, date, of the Bid-cum-Application Form and the name and addresses of the Syndicate Member with whom the Bid was submitted and cheque, number and issuing bank thereof.

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

Disposal of Applications and Applications Money and Interest in Case of Delay in Dispatch of Allotment Letters/Refund Orders/ instruction to Self Certified Syndicate Banks by the Registrar

Our Company shall ensure dispatch of Allotment advice and/or refund orders/refund advice (in case refunds made through ECS/ Direct Credit, RTGS, NEFT) as the case may be giving credit to the Beneficiary Account of the Bidders with their respective Depository Participant and submission of the Allotment and listing documents to the Stock Exchanges within two (2) working days of the date of Allotment of the Equity Shares. The mode of dispatch of refunds shall be as mentioned in the paragraph titled "*Mode of Making Refunds*" beginning on page 176 of the Draft Red Herring Prospectus.

Where refunds are made through electronic transfer of funds, a suitable communication will be sent to the Bidders within fifteen (15) days of closure of the issue, giving details of the Bank where refund will be credited along with amount and expected date of electronic credit of refund.

The bank account details for ECS, Direct Credit, RTGS, National Electronic Funds Transfer (NEFT) credit will be directly taken from the Depositories' database and hence bidders are required to ensure that bank details including the nine digit MICR code (Magnetic Ink Character Recognition) maintained at the Depository level are updated and correct.

Our Company shall use its best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges where the Equity Shares are proposed to be listed are taken within seven (7) working days of finalisation of the basis of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, our Company further undertakes that:

- Allotment of the Equity Shares shall be made only in dematerialised form within fifteen (15) days of the Bid/Issue Closing Date;
- Dispatch refund orders shall be made within fifteen (15) days of the Bid/Issue Closing Date ; and
- Our Company shall pay interest at 15% (fifteen percent) per annum for any delay beyond the 15 (fifteen) day time period as mentioned above, if Allotment is not made and refund orders are not dispatched to investors or if, in case that the refund or a portion thereof is made in electronic manner, the refund

instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the Guidelines issued by GoI, Ministry of Finance pursuant to their letter no. F/8/S/79 dated July 31, 1983, as amended by their letter no. F/14/SE/85 dated September 27, 1985, addressed to the Stock Exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

Our Company shall provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue.

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, a Bid to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years.”

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- 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 Allocation to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Issue less Allocation to Non-Institutional and QIB Bidders (subject to Allotment of upto 50% of the Net Issue (subject to mandatory allotment of minimum 10% of the Issue size to QIBs), shall be available for Allocation to Retail Individual Bidders who have Bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to [•] Equity Shares (assuming Green Shoe Option is not exercised) at or above the Issue Price, full Allocation shall be made to the Retail Individual Bidders to the extent of their demand.
- If the aggregate demand in this category is greater than [•] Equity Shares (assuming Green Shoe Option is not exercised) at or above the Issue Price, the Allocation shall be made on a proportionate basis of not less than [•] Equity Shares and in multiples of [•]. Equity Shares thereafter. For the method of proportionate basis of allotment, refer below.

B. For Non Institutional Bidders

- 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 Allocation to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue less Allocation to QIBs (subject to Allotment of upto 50% of the Net Issue (subject to mandatory allotment of minimum 10% of the Issue size to QIBs), Retail Individual Bidders, shall be available for Allocation to Non-Institutional Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares (assuming Green Shoe Option is not exercised) at or above the Issue Price, full Allocation shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than [●] Equity Shares (assuming Green Shoe Option is not exercised) at or above the Issue Price, Allocation shall be made on a proportionate basis of not less than [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate basis of Allotment refer below.

C. For QIBs

- 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 Allocation to all the QIB Bidders will be made at the Issue Price.
- Upto 50% of the Net Issue (subject to mandatory allotment of minimum 10% of the Issue size to QIBs), that is [●] Equity Shares (assuming Green Shoe Option is not exercised), shall be available for Allotment to QIBs who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- In terms of Clause 2.2.2 (a) (ii) and (b) (i) of SEBI Guidelines, 2000 as amended from time to time, wherein the “Project” has atleast 15% participation by financial institutions / scheduled commercial banks, of which atleast 10% comes from the appraiser (s). In addition to this, atleast 10% of the Net Issue shall be allotted to QIBs failing which the full subscription money shall be refunded. In case of delay, if any, in refund, we shall pay interest on the application money @ 15% p.a. for the period of delay.
- The QIB Portion shall be available for Allocation to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:
 - In the first instance Allocation to Mutual Funds for 5% of the QIB Portion shall be determined as follows;
 - i) In the event that Bids from Mutual Fund exceed 5% of the QIB Portion, Allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.
 - ii) In the event that the aggregate demand for Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received at or above the Issue Price.
 - iii) Equity Shares remaining unsubscribed, if any, not Allocated to Mutual Funds shall be available to all QIB Bidders as set out in (b) below;
 - In the second instance Allocation to all QIBs shall be determined as follows:
 - i) In the event of over subscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted 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 Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.
 - iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for Allocation to the remaining QIB Bidders on a proportionate basis.

Except for any shares Allocated to QIB Bidders due to under subscription in the Retail Portion and Non Institutional Portion, the aggregate Allocation to QIB Bidders shall be made on a proportionate basis at least to the extent of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate basis of Allocation refer below.

- The aggregate Allocation to QIB Bidders shall not be less than [●] Equity Shares (assuming Green Shoe Option is not exercised).

The BRLM, the Registrar to the Issue and the Designated Stock Exchange shall ensure that the basis of Allotment is finalised in a fair and proper manner in accordance with the SEBI Guidelines. The drawing of lots (where required) to finalise the basis of Allotment shall be done in the presence of a public representative of the Governing Board of the Designated Stock Exchange.

PROCEDURE AND TIME SCHEDULE FOR ALLOTMENT OF EQUITY SHARES AND DEMAT CREDIT OF EQUITY

The Issue will be conducted through a “100% Book Building Process” pursuant to which the Syndicate Members will accept Bids for the Equity Shares during the Bidding Period. The Bidding Period will commence on [●] and expire on [●]. Following the expiration of the Bidding Period, our Company, in consultation with the BRLM will determine the Issue Price, and, in consultation with the BRLM the basis of Allocation and entitlement to Allotment based on the Bids received and subject to the confirmation by the BSE/NSE. Successful Bidders will be provided with a CAN (subject to a revised CAN) and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The SEBI Guidelines require our Company to complete the allotment to successful bidders within fifteen (15) days of the expiration of the Bidding Period. The Equity Shares will then be credited and Allotted to the investors’ demat accounts maintained with the relevant Depository Participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence. This typically takes three (3) trading days from the date of crediting the investor’s demat account, subject to final approval by the Stock Exchanges.

METHOD OF PROPORTIONATE BASIS OF ALLOTMENT

In the event the Issue is over-subscribed, the basis of allotment shall be finalised by our Company in consultation with the BRLM and the Designated Stock Exchange. The executive Director or Managing 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 basis of Allotment is finalised in a fair and proper manner. The allotment shall be in marketable lots, on a proportionate basis as explained below.

- a) Bidders will be categorised according to the number of Equity Shares applied for.
- b) The total number of Equity Shares to be allotted to each category, as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- c) The number of Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis which is the total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio in that category subject to minimum allotment of [●] Equity Shares. The minimum Allotment lot shall be the same as the minimum application lot irrespective of any revisions to the Price Band.
- d) In all Bids where the proportionate allotment is less than [●] per Bidder, the allotment shall be made as follows:
 - Each successful Bidder shall be allotted a minimum of [●] Equity Shares; and
 - 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 Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (c) above.

- f) If the proportionate Allotment to a Bidder is a number that is more than [●] but is not a multiple of 1 (which is the marketable lot), the number in excess of the multiple of 1 would be rounded off to the higher multiple of 1 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 1. All Bidders in such categories would be Allotted Equity Shares arrived at after such rounding off.
- g) If the Equity Shares Allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising of Bidders applying for minimum number of Equity Shares.
- h) The basis of Allocation on a proportionate basis shall be finalised in consultation with the Designated Stock Exchange

DETAILS OF ALLOTMENT TO QIB BIDDERS/APPLICANTS

LETTERS OF ALLOTMENT OR REFUND ORDERS

Our Company shall give credit of the Equity Shares Allotted, if any, to the beneficiary account of the successful bidder with Depository Participants and submit the documents pertaining to the listing of the equity shares to the Stock Exchanges within two (2) working days of finalization of the date of allotment of Equity Shares. Bidders having bank accounts at any of the 68 centres where clearing houses are managed by the Reserve Bank of India (RBI) and who have registered the nine digit MICR code of their bank branch with their depository participant will get refunds through Electronic Credit Service (ECS) only, except where a Bidder is otherwise disclosed as eligible to get refunds through direct credit or Real Time Gross Settlement (RTGS). In case of other Bidders, we shall despatch refund orders, if any, of value up to Rs. 1,500, by “Under Certificate of Posting”, and will despatch refund orders above Rs. 1,500, if any, by registered post only at the sole or First Bidder’s sole risk within fifteen (15) days of the Bid/Issue Closing Date and adequate funds for the purpose shall be made available to the Registrar by us. Bidders to whom refunds are made through electronic transfer of funds will be send a letter through “Under Certificate of Posting” within fifteen (15) days of the Bid / Issue Closing Date, intimating them about the mode of credit of refund, the bank where refunds shall be credited along with the amount and the expected date of electronic credit of refund.

Our Company shall ensure dispatch of refund orders / refund advice, if any, by “Under Certificate of Posting” or registered post or speed post or Direct Credit or RTGS, as applicable, only at the First Bidder’s sole risk within fifteen (15) days of the Bid/Issue Closing Date, and adequate funds for postage and expenses for making refunds to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar by the Issuer.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI DIP Guidelines, our Company undertakes that:

- (a) Allotment of Equity Shares will be made only in dematerialised form within fifteen (15) days from the Bid/Issue Closing Date;
- (b) Dispatch of refund orders will be done within fifteen (15) days from the Bid/Issue Closing Date;
- (c) It shall pay interest at 15% per annum (for any delay beyond the fifteen (15) day time period as mentioned above), if allotment is not made, refund orders / credit intimation are not despatched and in case the where a refund is made through electronic mode, the refund instructions have not been given to the refund bank, and demat credit within the 15 day time prescribed above provided that the beneficiary particulars relating to such Bidders as given by the Bidders is valid at the time of the initiating the corporate action for the same.

Our Company will provide adequate funds required for the cost of dispatch of refund orders/ refund advice/ allotment advice to the Registrar to the Issue.

Save and except refunds effected through the electronic mode i.e. ECS, direct credit or RTGS, refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Bank 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 centres will be payable by the Bidders. However, charges levied by the Refund Bank for electronic payments such as ECS, direct credit, RTGS or NEFT would be borne by our Company.

PAYMENT OF REFUND

Bidders must note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant's Identification Number, Beneficiary Account number provided by them in the Bid-Cum-Application Form, the Registrar 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. These Bank Account details would be used for giving refunds (including through physical refund warrants, direct credit, ECS, NEFT and RTGS) to the Bidders. 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 despatch/ credit of refunds to Bidders at the Bidders sole risk and neither the BRLM or the Registrar or the Escrow Collection Banks nor the 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.

Mode of Making Refunds

The payment of refund, if any, would be done through various modes in the following order of preference

- (a) **ECS** - Payment of refund would be done through ECS for Bidders having an account at one of the 68 centres, where clearing houses for ECS are managed by Reserve Bank of India, namely. This would be subject to availability of complete bank account details including MICR code from the Depository. The payment of refund through ECS is mandatory for Bidders having a bank account at any of the 68 centres named herein above, except where the Bidder is otherwise disclosed as eligible to get refunds through Direct Credit or RTGS.
- (b) **Direct Credit** – Investors having their Bank Account with the Refund Bank(s), i.e. [•], shall be eligible to receive funds, if any, through Direct Credit. The refund amount, if any, would be credited directly to their Bank Account with the Refund Bank(s).
- (c) **RTGS** – Bidders having a bank account at any of the 15 centres, namely Ahmedabad, Bangalore, Bhuvaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram, and whose refund amount exceeds Rs. 1 million, shall be eligible to exercise the option to receive refunds, if any, through RTGS. All Bidders that exercise this option shall mandatorily provide the IFSC code in the Bid-cum-Application Form, in the boxes meant for furnishing the same. In the event of failure to provide the IFSC code in the Bid-cum-Application Form, the refund shall be made through the ECS or Direct Credit, if eligibility is disclosed.
- (d) **NEFT (National Electronic Fund Transfer)** – Payment of refund shall be undertaken through NEFT wherever the branch of the applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), of that branch. IFSC Code will be obtained from the website of RBI as on a date 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.

- (e) For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value up to Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. 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 centres will be payable by the Bidders.

For all the other Bidders excepts for whom payment of refund is possible through (a), (b) and (c) the refund orders would be despatched “Under Certificate of Posting” for refund orders less than Rs. 1500 and through Speed Post/Registered Post for refund orders exceeding Rs. 1500.

BID / ISSUE PROGRAMME

BID/ISSUE OPENS ON:	[•], 2008
BID/ISSUE CLOSES ON:	[•], 2008

Bids and any revision in Bids shall be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form and uploaded till such time as may be permitted by the BSE and NSE on the Bid/Issue Closing Date.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional working days after revision of Price Band. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and NSE, by issuing a press release, and also by indicating the change on the web site of the BRLM and at the terminals of the Syndicate.

Our Company reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Guidelines. 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 disclosed in the Red Herring Prospectus.

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 Bidding Period/Issue Period not exceeding ten (10) working days. Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by notification to SCSBs, 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.

UNDERTAKING BY OUR COMPANY

Our Company undertakes as follows:

- (a) that the complaints received in respect of this Issue shall be attended to expeditiously and satisfactorily;
- (b) 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 Equity Shares are proposed to be listed within seven (7) working days of finalisation of the basis of Allotment;
- (c) that funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed under the paragraph titled “*Disposal of Applications and Application Money*” on page 176 of the Draft Red Herring Prospectus, shall be made available to the Registrar to the Issue by our Company;
- (d) that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within fifteen (15) days of Bid / Issue Closing Date giving the details of the bank where refunds shall be credited along with the amount and expected date of electronic credit of refund.

- (e) that the refund orders or Allotment advice to Non-Resident Bidders shall be dispatched within specified time; and
- (f) that no further issue of Equity Shares shall be made till the Equity Shares issued through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.
- (g) that adequate arrangements shall be made to collect all Applications Supported by Blocked Amount (ASBA) and to consider them similar to non-ASBA applications while finalizing the basis of allotment.)
- (h) that our Company shall not have any access to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Our Company will provide adequate funds required for dispatch of refund orders / electronic transfer of funds for refunds or allotment advice to the Registrar to the Issue.

UTILIZATION OF ISSUE PROCEEDS

The Board of Directors of our Company certifies that:

- (a) all monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- (b) details of all monies utilised out of this 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 utilised;
- (c) details of all unutilised monies out of this Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested;
- (d) details of utilization of all monies received under Promoters' Contribution shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- (e) details of all unutilised monies, received under Promoters' Contribution, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested;

Our Company shall not have recourse to the Issue proceeds until final listing and trading approvals have been obtained from the Stock Exchange.

Rectification of Register of Members

Our Company, under Section 111A of the Act will have the right to rectify the register of members to comply with the Act.

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Under the current foreign investment policy applicable to us, foreign equity participation up to 100% is permissible under the automatic route.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without prior RBI approval, so long as the price of equity shares to be issued is not less than the price at which equity shares are issued to residents. In our Company, as of date the aggregate FII holding cannot exceed 49% of the total post-Issue share capital.

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, Indian law does not prohibit an FII or its sub-account to issue, deal or hold, offshore derivative instruments such as Participatory Notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favor of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "Know Your Client" requirements, which stipulate fortnightly disclosures by the FII to SEBI informing them about the name, location, type of investor (hedge fund, corporate, individual, pension fund or trust), quantity and value of investment made on behalf of the investor. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Note:

As per the existing policy of the Government of India, OCBs cannot participate in this Issue. Sub-accounts of FII's who are foreign corporates or foreign individuals are not QIBs, and hence cannot Bid in the QIB Portion in the Issue.

Registration of Equity Shares under US Laws

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the U.S. Securities Act, 1933), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold only outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

The above information is given for the benefit of the Bidders and neither our Company nor the BRLMs are liable for any changes in the regulations after the date of the Draft Red Herring Prospectus.

SECTION X – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act, 1956 and the SEBI guidelines, the important provisions of the Articles of Association of our Company relating to members voting rights, lien on Equity Shares and process for modification of such rights, forfeiture of Equity Shares, restrictions on transfer and transmission of Equity Shares and debentures and on their consolidation and splitting are detailed below.

SHARES

3. The Authorized Share Capital of the Company shall be such amount as stated in Clause V of the Memorandum of Association of the Company from time to time. The Company shall have power to increase or reduce or consolidate or subdivide the Capital of the Company from time to time, to issue any shares of the original capital with and subject to any preferential, qualified or special rights, privileges or conditions as may be thought fit, and upon the subdivision of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub division.
4. The Company shall have power to issue preference shares with the sanction of ordinary resolution carrying right to redemption out of profits which would otherwise be available for dividend or out of the proceeds of a fresh redemption or liable to be redeemed at the option of the Company, and the Board may subject to the provisions of Sections 80 of the Act, exercise such power in such manner as it thinks fit.
5. Subject to the provisions of Section 81 of the Act and these Articles, the Shares shall be under the control of the Directors who may issue, allot or otherwise dispose of the same to such persons in such proportion on such terms and conditions and either at par, premium or at a discount (subject to the compliance with the provision of section 79 of the Act) at such time as the Directors think fit and with sanction of the Company in the general meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the directors think fit, and with power to issue and allot any Shares in the capital of the Company as fully paid up on payment in full or part of any part of any property sold and transferred or *in* consideration of services rendered to the Company in its formation, conduct of business or otherwise, provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in general meeting.
6. Subject to the provisions of the Act, it shall be lawful for the Company to issue at a discount, shares of a class already issued.
7. The Company may, subject to compliance with the provisions of section 76 of the Act exercise the powers of paying commission on the issue of shares and debentures. The Commission may be paid or satisfied in cash or shares, debentures or debenture stock of the Company, or partly in one way and partly in the other.
8. The Company may pay a reasonable sum of brokerage on issue of any shares or debentures subject to the ceiling prescribed under the Act.
9. Subject to Section 187C of the Act, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognize any trust, benami or equitable or other claim to or interest in such shares on any fractional part of a share whether or not it shall have express or other notice thereof.

FURTHER ISSUE OF SHARES

10. The initial issued, subscribed and paid up equity capital of the Company, on infusion of additional funds for further issue of shares, shall be held in the following proportion:

Investor – 49%
UAL - 26%
Promoters – 24.5%
Others – 0.5%

The said shareholding may change subsequently depending on issue of additional shares or transfer of existing shares, as may happen from time to time.

11. The Company shall give to Transform Engineering Private Limited, UAL and Promoters (“Pre-Emptive Right Holder”) a pre-emptive right of subscription (“Pre-Emptive Right”) in the event that it proposes to undertake any future equity financing during the pendency of the Agreement by making a preferential allotment of equity shares or instruments convertible into equity shares to third parties (a “Preferential Allotment”). A pre-emptive Right Holder may subscribe for such equity shares or instruments convertible into equity shares, through any Affiliate(s). The provisions of These Articles relating to Pre-Emptive Right shall be subject to the provisions of this Article 11.
12. The Pre-emptive Right shall be offered by the Company by issuing a written notice on each Pre-emptive Right Holder (“Issuance Notice”) setting forth in detail the terms of the proposed issuance, including the proposed issuance price (“Issuance Price”), the date of closing of the proposed issuance (which shall not be less than thirty (30) days from the date of receipt of the Issuance Notice) and the number of Equity Shares or instruments or securities convertible into Equity Shares proposed to be issued (“Issuance Shares”).
13. If a Pre-emptive Right Holder wishes to exercise its Pre-emptive Right, within forty five (45) days from the date of receipt of the Issuance Notice, it shall pay for and subscribe to such number of the Issuance Shares as it wishes to subscribe to so as to maintain its pro rata holding in the Company as at the time immediately following the closing, at the Issuance Price, and on the terms and conditions set out in the Issuance Notice. Subject to the receipt of the payment against exercise of the Pre-emptive Right by each Pre-emptive Right Holder, the Company shall issue and allot the Issuance Shares to each Pre-emptive Right Holder on the date of closing of the issuance as stated in the Issuance Notice.
14. If a Pre-emptive Right Holder does not exercise the Pre-emptive Right and make payment to the Company against such exercise within the time period specified in Article 13 above, then the Company may issue and allot the Issuance Shares to a third party subscriber (“Third Party Subscriber”) at the Issuance Price as mentioned in the Issuance Notice.

Use of Proceeds

15. The amount of investment by way of subscription to the Equity Shares of the Company or otherwise to be infused by the Parties shall be utilized by the Company solely towards the Business of the Company.
16. 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 :
 - (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 within which 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 him or any of them in favour of any other person and the notice referred to in sub-clause (b) shall contain a statement of this right;

(d) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the company.

17. Notwithstanding anything contained in subclause (1) the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.

(a) If a special resolution to that effect is passed by the company in general meeting, or

(b) Where no such 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 so to do, 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 Director in this behalf, that the proposal is most beneficial to the company.

18 Nothing in sub-clause (c) of (1) hereof shall be deemed :

(a) To extend the time within which the offer should be accepted; or

(b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

177. Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debentures issued by the company :

(i) To convert such debentures or loans into shares in the company; or

(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 :

(a) Either has been approved by the central Government before the issue of debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and

(b) In the case of debentures or loans or other than debentures issued to, or loans obtained from the government or any institution specified by the Central Government in this behalf, has also been approved by the special resolution passed by the company in General Meeting before the issue of the loans.

CERTIFICATE

178. The Certificate of title to shares shall be issued 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.

21 Every member shall be entitled to certificate(s), free of charge, 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.

Provided however that no share certificate (s) shall be issued to shares held by a Depository.

- 22 If any certificate of any share or shares be surrendered to the Company for sub-division or consolidation or if any certificate be defaced, mutilated, torn or old, decrepit, worn-out or where the pages on the reverse for recording transfer have been duly utilised, then upon production and surrender thereof to the Company, the Board may order the same to be cancelled and may issue new certificate in lieu thereof, and if any certificate be lost or destroyed, then upon proof thereof to the satisfaction of the Board, and on such indemnity as the Board thinks fit being given a new certificate in lieu thereof, shall be given to party entitled to the shares to which such lost or destroyed certificate relate. Every certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Where a new certificate has been issued as aforesaid it shall state on the face of it and against the stub or counterfoil that it is issued in lieu of a share certificate or is a duplicate issued for the one so replaced and, in case certificate is issued in place of one which has been lost or destroyed, the word "duplicate/s" shall be stamped or punched in bold letters across the face thereof. For every certificate issued under this Article, there shall be paid to the Company such out of pocket expenses incurred by the Company in investigating evidence as the Board may determine.
- 23 No fee shall be charged for sub-division and consolidation of share and debenture certificates and for sub-division of letters of allotment and split, consolidation, renewal and pucca transfer receipts into denominations, corresponding to the market units of trading, for sub-divisions of renounceable letters of rights: for issue of new certificate in replacement of those which are old, defaced, decrepit or worn out, or where the cages on the reverse for recording transfers have been fully utilised, provided that the Company may charge such fees as may be agreed by it with the Stock Exchange with which its shares may be enlisted for the time being for issue of new certificates in replacement of those that are torn, defaced, lost or destroyed, and for such division and consolidation of shares and debenture certificates and for sub-division of letter of allotment and split, consolidation renewal and pucca transfer receipts into denominations other than those fixed for the market units of trading.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act 1956 or any other Act, or rules applicable thereof in this behalf.

The provision of this Article shall mutatis mutandis apply to debentures of the company.

DEMATERIALIZATION OF SECURITIES

- 24 Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing securities and/or offer fresh securities for subscription in a dematerialized form, pursuant to Depositories Act and Rules framed thereunder. Additionally, on the investor exercising an option to hold his/her securities with a Depository in a dematerialized form, the Company shall enter into an agreement with a Depository to enable the investor to dematerialize his/her securities, in which event the rights and obligation of the parties concerned shall be governed by the "Depositories Act".
25. If a person opts to hold his securities with Depository, the Company shall intimate such Depository, the details of allotment of the securities and on receipt of the information, the Depository shall enter in its record, the name of allottee as the beneficial owner of the security.
- (i) Notwithstanding anything contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purpose of effecting transfer of ownership of securities on behalf of the beneficial owner.
- (ii) Save as provided in sub-clause (i) above, the Depository as the Registered Owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

- (iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a Depository.
26. Nothing contained in the Act or these Articles regarding the necessity of having a distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.
- (i) All securities held by Depository shall be dematerialized and shall be in fungible form. Nothing contained in section 153, 153(A), 153(B) and 187(C) of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owner.
- (ii) Notwithstanding anything contained in the Act or these Articles, in the case of Transfer or Transmission of the Securities, where the Company has not issued any certificates and where such securities are being held in the electronic and fungible form with a Depository, the provision of the Depositories Act, 1996 shall apply.
27. Notwithstanding anything contained in the Act or these Articles to the contrary where the securities are held in a Depository, the records of the beneficial ownership may be saved by such Depository on the Company by means of electronic mode or by delivery of floppies or disc.
28. Notwithstanding anything contained in the Act or these Articles to the contrary, where the securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.
29. 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 such intimation, make appropriate entries, in its record and shall inform the Company.
- The Company shall within 30 (thirty) days of 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.
30. The Register and Index of beneficial owners maintained by a Depository under section 11 of the Depositories Act, 1996 shall be deemed to be the Register and Index of Members for the purpose of the Act.
31. Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appear on the Register of Members as the holders of any shares as also the beneficial owner of the shares in record of Depository as the absolute owner thereof as regards receipt of dividend or bonus or serve of notice and all or any other matters connected with the Company and accordingly the Company shall not except or order by the court or competent jurisdiction or as by law required be bound to recognize any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have expressed or implied notice thereof.
32. No stamp duty would be payable on shares and securities held in dematerialized form in any medium as may be permitted by law including any form of electronic medium.
33. In case of transfer of shares, debentures and other marketable securities, where the Company has not issued any certificate and where such shares, debentures or securities are being held in an electronic and fungible form in a Depository, the provisions of the Depository Act, 1996 shall apply.

FORFEITURE AND LIEN

34. If any member fails to pay any call or installments on or before the day appointed for the payments of the same the directors may at any time thereafter during such time as the call or installment remains unpaid serve notice on such member 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 reasons of such non payment.
35. The notice shall name a day (not being less than 30 (thirty) days from the date of the notice) and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time, and at the place or places appointed, the shares in respect of which such call was made or installment is payable will be liable to be forfeited.
36. If the requirements of such notice as aforesaid be not complied with, any shares, in respect of which such notice has been given, may at any time thereafter before payments of all calls or installments interest and expenses due in respect thereof, be forfeited by a resolution of the directors to that effect. Neither the receipt by the Company of a portion of any money which shall from time to time, be due from any member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such share as herein provided.
37. When any shares shall have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register but no forfeiture shall be in any, manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
38. Any share so forfeited shall be deemed to be the property of the Company and the directors may sell re-allot or otherwise dispose of the same in such manner as they think fit.
39. Any member whose shares have been forfeited shall notwithstanding such forfeiture, be liable to pay and shall forthwith pay to the Company all calls installments including interest thereupon at 12 percent per annum or such other rate as the Board may determine, from the time of the forfeiture until payment. The Board may enforce the payment thereof or any part thereof without any deduction or allowance for the value of shares at the time of forfeiture but shall not be under any obligation to do so.
40. The Directors may at any time before any share so forfeited is sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as they think fit.
41. The forfeiture of a share shall involve the extinction of all interests in and also of all claims and demands against the Company in respect of the share and all other rights incidental to the share except only such of those rights as by these Articles are expressly saved.
42. A duly verified declaration in writing that the declarant is a director of the Company and that certain share in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts stated therein, as against all persons claiming to be entitled to the shares and such declaration and the receipt of the shares of the Company for the consideration, if any, given for the shares as on the sale or disposition thereof, shall constitute a written title to such shares.
43. The Company shall have a first and paramount lien upon all the shares/debentures (not being fully paid up) 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 and no equitable interest in any share shall be created excepts upon the footing and condition that may from time to time be 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, of such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.

44. For the purpose of enforcing such lien, the directors may sell the shares subject thereto in such manner as they think fit, but no sale shall be made until such period as aforesaid shall have elapsed and until notice in writing of the intention to sell shall have been served on such member, his executor, administrator or his committee or other person recognized by the Company as entitled to represent such member and default shall have been made by him or them in the payment of the sum payable as aforesaid for thirty days after such notice. The net proceeds of any such sale shall be applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable to such member, his executors, administrators or other representatives or persons so recognized as aforesaid.
45. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers by these presents given, the directors may appoint some person to execute an instrument of transfer of the shares sold and after his name had been entered in the register in respect of such shares his title to such forfeiture, sale or disposition, nor impeached by any person and the remedy of any person, aggrieved by the sale shall be in damages only and against the Company exclusively.
46. Where any shares under the powers in that behalf herein contained are sold by the directors and the certificate in respect thereof has not been delivered to the Company by the former holders of the said shares the directors may issue a new certificate in lieu of certificate not so delivered.

PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST :

47. The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.
48. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.
49. The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the company.

BUY BACK OF SHARES

50. Pursuant to provisions of Section 77, 77A, 77AA and 77B of the Act, and other regulations or guidelines as may be specified or notified by any regulatory authority from time to time, the Company may, by way of a special resolution, purchase its own shares and other specified securities.

TRANSFER AND TRANSMISSION OF SHARES

51. Neither the Promoters nor UAL may Transfer any or all of its interest in the Company, without the prior written approval of the Investor.
52. On receiving any offer from any independent third party and at least five (5) Business Days prior to entering into any contractual commitment with such third party offeror, the Promoters and UAL shall inform the Board of receipt of such offer, and provide all relevant details (like number of Equity Shares offered to be purchased by such third party, the price per Equity Share offered by the third party, etc.) of the offer, to the Board

53. None of the Promoters or UAL may sell any of their Equity Shares to a third party without first offering the said Equity Shares (“Offered Shares”) to the Investor. The Investor shall have a right, but not an obligation to purchase the Offered Shares from such selling Promoter and/or UAL. In case the Investor decides to exercise this right, he would purchase such Offered Shares.
54. Within five (5) Business Days of agreeing to sell all or any of the Equity Shares or at least thirty (30) days before the date of the proposed sale (whichever is earlier), the Promoter and/or UAL (“Selling Shareholder”), shall send a written notice (“Sale Notice”) to the Investor (“Right Holder”), setting forth in detail the terms of the proposed sale, including the name of the person/s to whom the sale is proposed to be made (“Purchaser”), the proposed sale price per Share (“Third Party Price”), the date of the proposed sale (which shall not be less than thirty (30) days from the date of receipt of the Sale Notice) and the number of Equity Shares proposed to be sold (“Sale Shares”).
55. Upon receipt of the Sale Notice, the Right Holder shall have the right, exercisable at its sole discretion to purchase the Sale Shares at the Third Party Price by serving upon the Selling Shareholder a written notice in that regard within fifteen (15) Business Days of receipt of the Sale Notice by the Right Holder on the terms and conditions mentioned in the Sale Notice (“Right of First Refusal”).
56. The Parties agree that the Right Holder may, at its sole discretion, choose not to exercise the Right of First Refusal. In the event that the Right Holder does not wish to exercise the Right of First Refusal, then it shall inform the Selling Shareholder of the same within thirty (30) Business Days of receipt of the Sale Notice. If the Right Holder does not inform the Selling Shareholder within thirty (30) Business Days of receipt of the Sale Notice, then it shall be deemed that the Right Holder does not wish to exercise his Right of First Refusal.
57. If the Right Holder exercises its Right of First Refusal as mentioned above, within sixty (60) Business Days, subject to the necessary Consents, the Selling Shareholder shall tender the Sale Shares to the Right Holder and on the same Business Day; the Right Holder shall pay the Selling Shareholder the consideration for the Sale Shares at the Third Party Price.
58. If the Right Holder does not exercise the Right of First Refusal and does not serve a written notice upon the Selling Shareholder within the time period specified in Article 48 above, then the Selling Shareholder may sell the Sale Shares to the Purchaser at the Third Party Price as mentioned in the Sale Notice, provided no such sale shall be made by any Selling Shareholder to a Significant Competitor, without the prior written consent of the Investor.

DIRECTORS MAY REFUSE TO REGISTER TRANSFER_ :

59. Subject to the provisions of Section 111A these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

NO FEE ON TRANSFER OR TRANSMISSION_ :

60. 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 similar other document.

PUT AND CALL OPTION

61. Upon the happening of an Event of Default as per the Agreement, the Investor shall have a call option (“Call Option”) whereby the Investor shall have a right, but not an obligation, to purchase the Equity Shares held by the Promoters / UAL and the Promoters / UAL will be under an obligation to sell their Equity Shares to the Investor at a price that shall not exceed the Fair Market Value of the shares as outlined in Article 54 below.
62. Upon the happening of an Event of Default as per the Agreement, the Investor shall also have a put option (“Put Option”) whereby the Investor shall have a right, but not an obligation, to require the Promoters / UAL to purchase all the Investor Shares owned by the Investor at a price that shall not be less than the Fair Market Value of the shares as outlined in Article 54 below.
63. For the purpose of these Article, the term Fair Market Value shall mean the fair value of the Company determined by independent valuation firms, calculated based on standard market practices. Within fifteen (15) Business Days of the happening of the Event of Default, the Investor shall send a written notice to the Company, UAL and Promoters setting out the name of the independent valuation firm and its intention to trigger either the Call Option or the Put Option. UAL and Promoters shall, within fifteen (15) Business Days of the receipt of such notice from such Investor identify their independent valuation firm and engage their services for the purpose of determining the Fair Market Value. The Fair Market Value shall be arrived at by taking the average of the values arrived at by both the independent valuation firms so appointed. The independent valuation firms shall act as experts and not as an arbitrator. Within sixty (60) Business Days of the happening of the Event of Default or any other period mutually agreed between the Parties, the valuation firms engaged by the Investor and UAL/Promoters shall each submit their reports, specifying their determination of the Fair Market Value.
64. The Investor shall have the discretion to exercise either the Call Option or the Put Option based upon the Fair Market Value as arrived at in accordance with Article 54 above.
65. Upon the Investor taking a decision to trigger a Call Option based on the Fair Market Value determined as per Article 54 above, the Investor shall, within thirty (30) Business Days of determination of Fair Market Value as per Article 54 above, send a written notice (“Call Notice”) to the Promoters and UAL to purchase their Equity Shares at the said Fair Market Value. Pursuant to receipt of the Call Notice by the Promoters and UAL, the Promoter and UAL shall within a period of 15 (fifteen) Business Days sell their Equity Shares to the Investor at the Fair Market Value stated in the Call Notice.
66. Upon the Investor taking a decision to trigger a Put Option based on the Fair Market Value determined as per Article 54 above, the Investor shall, within thirty (30) Business Days of determination of Fair Market Value as per Article 54 above, send a written notice (“Put Notice”) to the Promoters and UAL to sell its Investor Shares at the said Fair Market Value to them. Pursuant to receipt of the Put Notice by the Promoters and UAL, the Promoter and UAL shall within a period of 15 (fifteen) Business Days purchase the Investor Shares from the Investor at the Fair Market Value stated in the Put Notice by making the payment of the same by way of a banker’s cheque of a nationalized bank.
67. The Promoters, UAL and Company shall cooperate with the Investor and do all such acts, deeds, matters or things (including all governmental filings) as may be required for the Investor to exercise its rights under these Articles.

TAG ALONG RIGHTS

68. In case of the sale of all or prorata shares to a third party by the Selling Shareholder as per Article 47 above, the Investor shall have the right, but not an obligation (“Tag Along Right”), to sell its shares (“Tag Along Shares”) to the third party in such a sale; provided the third party agrees to purchase all the shares offered by the Selling Shareholder and the Tag Along Shares. In the event that the third

party does not agree to purchase the Tag-Along Shares, the Selling Shareholder shall not sell its shares to the third party unless the Investor agrees to waive its Tag Along Rights.

69. The Parties agree that the Investor may, at its discretion, choose not to exercise the Tag Along Right. In the event that the Investor wishes to exercise the Tag Along Right, then it shall individually inform the Promoters and/or UAL who has provided the Sale Notice, of the same within fifteen (15) Business Days of receipt of the Sale Notice.
70. If the Investor exercises its Tag Along Right as mentioned above, then the Promoter and/or UAL shall ensure that the Purchaser purchases the number of Investor Shares from the Investor as mentioned in the notices along with the Sale Shares mentioned in the Sale Notice at the Third Party Price and on the terms mentioned in the Sale Notice. The Promoter and/or UAL shall ensure that the Purchaser completes the purchase of the Investor Shares at the same time as completion of purchase of the Sale Shares held by the Promoter and/or UAL.
71. Any transfer to the third party shall be legally unenforceable unless the third party signs the Deed of Adherence substantially as specified in the Schedule 2 of the Agreement.

HOLDING COMPANIES

72. In the event there is a capital restructuring of the Company whereby a holding company is formed for the exclusive purpose of holding shares in the Company, the Shareholders shall retain the right to transfer their shareholding to the holding company such that they receive shares in such holding company which gives the Shareholders a beneficial interest in the Company which is equivalent to their actual interest in the Company immediately prior to the capital restructuring.

PROCEDURE FOR TRANSFER

73. Subject to the provisions of the Act, no transfer of shares shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor or transferee has been delivered to the Company together with the certificate or certificates of the shares, or if no such certificates is in existence along with the letter of allotment of shares.
74. The instrument of transfer shall be in writing and all the provisions of section 108 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and the registration thereof.
75. The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares, made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares, not withstanding 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 or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some books of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the directors shall so think fit.
76. The provisions of the Articles shall mutatis mutandis apply to the transfer or transmission by operation of law, of debentures of the Company.

SHARE WARRANTS

77. Subject to the provisions of Section 114 and 115 of the Act and subject to any directions which may be given by the Company in General Meeting the Board may issue share warrants in such manner and on

such terms and conditions as the Board may deem fit. In case of such issue, Regulations 40 to 43 of Table 'A' in Schedule I to the Act, shall apply.

STOCKS

78. The Company may exercise the power of conversion of its shares into stock and in that case regulation 37 to 39 of Table 'A' in Schedule I to the Act shall apply.

ALTERATION OF CAPITAL

79. The Company may, by ordinary resolution, from time to time alter the condition of Memorandum of Association as follows:
- (a) Increase the Share Capital by such amount to be divided into shares of such amount as may be specified in the resolution.
 - (b) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
 - (c) Sub-divide its existing shares or any of them into shares of similar amount than is fixed by the Memorandum of Association; so however, that is the sub-division between the amount paid and the amount, if any, unpaid in each reduced share shall be the same as it was in the case of share from which the reduced share is derived, and
 - (d) Subject to the provisions of Section 100 to 104 of the Act the Board may accept from any member the surrender of all or any of his shares on such terms and conditions as shall be agreed.

MODIFICATION OF RIGHTS

80. If any time the share capital is divided into different classes of shares all or any of the rights attached to any class unless otherwise provided by the terms of issue of the shares of that class may, whether or not the Company is being wound up, be varied with consent in writing of the holders of not less than three fourth of the issued shares of that class, or with the sanction of a special Resolution passed at a separate Meeting of the holders of the shares of that class.
81. To every such separate meeting the provisions of these Articles, relating to general meeting shall apply, but so that the necessary quorum shall be two persons atleast holding or representing by proxy one tenth of the issued shares of the class but so that if at any adjourned meeting of such holders quorum as above defined is not present, those members who are present shall be the quorum and that any holder demanding poll, and on a poll, shall have one vote for each share of the class of which he is the holder. The Company shall comply with the provisions of Section 192 of the Act as to forwarding a copy of any such agreement or resolution to the Registrar of Companies.

BORROWING POWERS

82. The Board may, from time to time and at its discretion subject to the provisions of Section 58-A, 292 and 293 of the Act, raise or borrow, from banks, institutions or from elsewhere and secure the payment of any sums or sum of money so borrowed for the purpose of the Company.
83. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular by the issue of bonds, perpetual or redeemable, debenture or debenture stocks or any mortgage, or charge other security on the undertaking of the whole or any part of the property of the Company (both present and future), including its uncalled capital for the time being provided that debentures with the rights to allotment of

or conversion into shares shall not be issued except with the sanction of the Company, in general meeting and subject to the provisions of the Act.

84. Any debentures, debenture stock, bonds or other securities may be issued subject to the provisions of the Act, at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination with any special privileges, as to redemption, surrender, drawings, allotments of shares, attending (but not voting) at the General Meeting, appointment of directors and otherwise, debentures, debenture stocks bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.

GENERAL MEETING

85. The Directors may, whenever they think fit, call an Extraordinary General Meeting. Provided however, if at any time they are not in India, directors capable of acting who are sufficient in number to form a quorum any director present in India, may call an Extraordinary General Meeting in the same manner as nearly as possible as that in which such a meeting may be called by the Board.
86. The Board shall on the resolution of such member or members of the Company as is specified in subsection (4) of Section 169 of the Act forthwith proceed to call an Extraordinary general meeting of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all the provisions of section 169 of the Act and of any statutory modifications thereof for the time being shall apply.
87. The quorum for a general meeting shall be five members present in person.
88. The Chairman, if any, of the Board shall preside as chairman at every general meeting of the Company. If there is no such chairman, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairman of the meeting, the members present shall choose one of the Director present to be chairman or if no Director is present or Directors present are not willing to take the chair, then the members present shall choose one amongst them, to be Chairman of such meeting.
89. Any act or resolution which under the provision of these Articles or of the Act, is permitted shall be sufficiently so done or passed if effected by an ordinary resolution unless either the Act or the Articles specifically require such act to be done or resolution passed by a special resolution.
90. Unless otherwise agreed to by the Shareholders, if within half-an-hour from the time appointed for the meeting, a quorum is not present the meeting, the meeting if called upon the requisition of the members shall stand dissolved. In any other case, it shall stand adjourned and would be held after half an hour on the same day and at the same place, or at such other date, time and place, not being a public holiday, as may be decided by the Board. If at such adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the meeting, the members who are present and not being less than two members, shall be a quorum and may transact the business for which the meeting was called.
91. In the case of an equality of votes the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes to which he may be entitled as a member.
92. The Chairman of a General Meeting may adjourn the same, from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. It shall not be necessary to give notice to the members of such adjournment or of the time, date and place appointed for the holding of the adjourned meeting.

93. Poll can be demanded by any member or members present in person or by proxy and holding shares in the Company which confers not less than 1/10th of the total voting power on the resolution or on which an aggregate sum of not less than Rs.50,000 has been paid up. If a poll is demanded as per these Articles and as per the provisions of Section 179 of the Act, the demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

VOTES OF MEMBERS

94. .i) On a show of hand, every member present in person and being a holder of Equity Shares shall have one vote.
- ii) On a poll the voting rights of a holder of Equity shares shall be as specified in Section 87 of the Act.
- iii) The voting rights of the holders of the preference shares including the redeemable cumulative preference shares shall be in accordance with the provisions of section 87 of the Act.
- iv) No Company or body corporate shall vote by proxy so long as a resolution of its Board of Directors under section 187 of the Act is in force and the representative named in such resolution is present at the General Meeting at which the vote by proxy is tendered.
95. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his Attorney duly authorised in writing. If such appointer is a body corporate, it shall be signed by an officer or an attorney duly authorized by it.
96. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it signed, notarized, a certified copy of that power of authority shall be deposited at the office not less than forty eight hours before the time for holding the meeting, at which the person named in the instrument purposes to vote and in default the instrument of proxy shall not be treated as valid.
97. No intimation in writing of the death, insanity, revocation or transfer of the shares shall have been received at the office or by the Chairman of the meeting before the vote is given. 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 that the same has not been revoked.
98. No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right to lien.

DIRECTORS

99. The number of Directors shall not be less three and not more than twelve.
100. The following shall be the First Directors of the Company:
1. MR. VINOD KUMAR CHATURVEDI
 2. MR. MANOJ CHATURVEDI
 3. MR. AJAY PRAKASH ARORA
101. The Directors shall have power at any time and from time to time, to appoint any person as an additional Director as an addition to the Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by the Articles. Any director so appointed shall hold office only until the next Annual General Meeting of the Company and shall be eligible for re-election.
102. A Director shall not be required to hold any shares in the Capital of the Company as his qualification.

103. a) In connection with any collaboration arrangement with any company or corporation or firm or person for supply of technical know how and/or machinery or technical advice, the directors may authorise such company, corporation, firm or person (hereinafter in this clause referred to as "collaborator") to appoint from time to time, any person or persons as director or directors of the Company (hereinafter referred to as "Special Director") and may agree that such special director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for the office of such director, so however, that such special director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangement or at time thereafter.
- b) The collaborator may at any time and from time to time remove any such special director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed at any time appoint any other person as a special director in his place and such appointment or removal shall be made in writing signed by such Company or corporation or any partner or such person and shall be delivered to the Company at its registered office.
- c) It is clarified that every collaborator entitled to appoint a director under this Article may appoint one or more such person or persons as a director(s) and so that if more than one collaborator is so entitled there may at any time be as many special directors as the collaborators eligible to make the appointment.
104. Any trust deed for securing debenture or debenture stocks may, if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of debentures or debenture stocks, of some person or persons to be a director or directors- of the Company and may in power such Trustees or holders of debentures or debenture stock from time to time, to remove and re-appoint any director (s) so appointed, the director (s) so appointed under this Articles 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(s) shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company.
105. The trust deed may contain such ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.
106. A director, managing director office or employee of the Company may be, or become a director of any company promoted by the company or in which it may be interested as a vendor, member or otherwise, and no such director shall be accountable for any benefit received as director or member of such Company except to the extent and under the circumstances as may be provided in the Act.
107. Each director shall be entitled to be paid out of the funds of the Company by way of sitting fees for his services not exceeding the sum as may be prescribed under law and as may be fixed by director (s) from time to time for every meeting of the Board of directors or committee thereof attended by him. The Board may allow and pay to any director who for the time being is resident out of the place at which any meeting of the directors may be held and who shall come to that place for the purpose of attending such meeting such sum as the directors may consider fair and reasonable for his expenses in connection with his attending at the meeting in addition to his remuneration as above specified. If any director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or made any special exertions for any of the purposes of the Company, then, subject to the provisions of Section 198, 309, 310 and 314 of the Act, the Board may remunerate such director either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.
108. The sitting fees payable to a director for attending a meeting of the Board or a committee of the Board or a general meeting shall be regulated as per the provisions of section 310 of the Act.

109. The continuing directors may act notwithstanding any vacancy in the Board; but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or for summoning a general meeting of the Company, but for no other purpose.
110. Subject to the provisions of Section 292, 293, 294, 295, 297, 300, 311, 314 and 372A of the Act, the directors (including Managing Director) shall not be disqualified by reason of his or their office as such, from holding office under the Company or from contracting with the Company either as vendor, purchase, lender, agent broker, lessor or arrangement entered into by or on behalf of the Company with a relative of such directors or the managing director or a relative of such directors or the managing director or with a private company in which such director/manager director whole time director is a member or director interested be avoided, nor shall any director, managing director whole time director, or otherwise so contracting or being such members or so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason only of such director, managing director, whole time director holding that office or of the fiduciary relation thereby established.

APPOINTMENT OF DIRECTOR

111. The Company in general meeting may subject to the provisions of these Articles and the Act, at any time elect any person to be a director and may from time to time increase or reduce the number of directors.
112. Any member of the Company shall be competent to propose the name of any person who is otherwise not disqualified as being a director of a Company for the office of director in the Company and shall accordingly give a notice of at least 14 days in writing along with a deposit of Rs.500/- (Rupees Five hundred) on such sum as may for the time being prescribed by the Act, which shall be refunded only after the person proposed to be appointed as director is elected.
113. If any director appointed by the Company in general meeting vacates office as a director before his term of office will expire in the normal course, the resulting casual vacancy may be filled up by the Board at a meeting of the Board, but any person so appointed shall retain his office so long only as the vacating director would have retained the same if no vacancy had occurred. Provide that the Board may not fill such a vacancy by appointing thereto any person who has been removed from the office of director under section 284 of the Act.
114. The Company shall subject to the provisions of the Act, be entitled to agree with any person, firm or corporation that he or it shall have the right to appoint his or its nominee on the Board of Director of the Company upon such terms and conditions as the Company deem fit. The corporation firm or person shall be entitled, from time to time to remove any such Director or Directors and appoint another or other in his or their places. He shall be entitled to the same right and privileges and be subject to the same obligation as any other Director of the company.
115. Subject to the provisions of Section 313 of the Act, the Board may appoint any person to act as an alternate director for a director during the latter's absence for a period for not less than three months from the State in which meeting of the Board are ordinarily held and such appointment shall have effect and such appointee, whilst he holds office as an alternate director, shall be entitled to notice of meetings of the Board and to attend and vote thereat accordingly but he shall ipso facto vacate office if and when the absent director returns to State in which meetings of the Board are ordinarily held or the absent Director vacates office as a director.

NOMINEE DIRECTORS

116. Excluding the independent directors, UAL, Promoters and the Investor shall have directors on the Board of the Company (“Nominee Directors”) in their respective shareholding ratio. The Nominee Directors of the Investor shall be referred to as “Investor Nominee Directors”.
117. The Promoters and UAL hereby agree to vote in favour of any Shareholders’ resolution for the re-election of the Investor Nominee Directors and facilitate their re-election to the Board, as and when both/either of them retire by rotation and offers himself/ herself for re-election.
118. The Investor Nominee Directors shall also be entitled to reimbursement of expenses including travel expenses in connection with the Board and Committee meetings and shall be entitled to sitting fees as decided by the Board.
119. The Investor Nominee Directors shall be entitled to receive all notices, agenda, etc. and to attend all Board Meetings and Meetings of any Committees of the Board of which such Directors are members.
120. The Investor shall be entitled to appoint an alternate Director for each of its Nominee Directors. The alternate Directors so appointed shall be entitled to attend the meetings of the Board and vote in the event the Investor Nominee Director is unable to attend any meeting of the Board. The Company, Investor, UAL and the Promoters shall take all steps necessary to secure the appointment of the alternate Directors.
121. The Company shall arrange for and ensure that an indemnity agreement is entered into by and between the Nominee Directors and the Company, through which the Nominee Directors stand indemnified from all the liabilities as may arise in the present or in the future with regard to the actions and/or omissions of the Board of directors in the course of managing the affairs and business of the Company.
122. The Company may, within sixty (60) days from the date of its incorporation, arrange for directors’ insurance for the Nominee Directors and take responsibility for making timely payments of the insurance premia.
123. Subject to applicable Law, the Company shall indemnify, defend and hold harmless each Nominee Director, or alternate Director who was or is made a party or is threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative (including any action brought by or in the name of the Company), by reason of the fact that such Director or alternate is or was, or otherwise relating to any action taken or omitted to be taken in such persons capacity as a Director against all losses, liabilities, costs (including counsel fees and other legal costs), expenses, damages, penalties, actions, proceedings, claims and demands actually and reasonably incurred by him or it in connection with such suit, action or proceeding or the defense, litigation or settlement thereof; provided, however, that such indemnification shall not apply in respect of any claims or losses to the extent resulting from the negligence, willful misconduct or bad faith acts or omissions of such Nominee Director or alternate or any act outside the scope of authority granted to such Nominee Director or alternate herein.
124. (a) Notwithstanding anything to the contrary contained in these Articles, so long as any money remain owning by the Company to any other financing corporation or Credit Corporation or any financing company or body is hereafter in these article referred to as "The Corporation") continue to hold shares / debentures in the Company as a result of underwriting 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 may appoint any person or persons as a Director or Directors whole time or non-whole time, (which Director or Directors is / are hereinafter referred to as “Nominee Director(s) of Corporations”) on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.

(b)The Board of Directors of the Company shall have no power to remove from office the nominee Director(s) of Corporations. At the option of the corporation, such nominee Director(s) of Corporations shall not be liable to retirement by rotation of Directors. Subject as aforesaid the Nominee Director(s) of Corporations shall be entitled to the same rights and privileges and be subject to the same obligation as any other Director of the Company.

(c) The Nominee Director(s) of Corporations so appointed shall hold the said office only so long as any money remain owing by the Company to the corporation or so long as the corporation holds debentures in the Company or so long as the corporation hold shares in the Company as a result of underwriting of Director subscription and the Nominee Director(s) of Corporations so appointed in exercise of the said power shall ipso-factor vacate such office immediately after the money owing by the company to the corporation is paid off or the corporation ceasing to hold the debentures and shares in the Company.

(d) The Nominee Director(s) of Corporations appointed under this Article shall be entitled to receive all notices, of and attend all general meetings, Board meetings and of the meetings off the committee of which such Nominee Director(s) is / are member(s) and also the minutes of such meetings. The corporation shall also be entitled to receive all such notice and minutes.

(e)The Company shall pay to the Nominee Director(s) of the Corporation sitting fees and expenses which the other directors of the Company are entitled to, but if any other fees, commission, moneys or remuneration in any form is payable to the directors of the company, the fees, commissions, moneys and remunerations 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) of Corporations is an officer of the corporation, the sitting fees, in relation to such Nominee Director(s) shall be paid by the Company directly to the Corporation. Provided also that in the event of the Nominee Director(s) of Corporations being appointed as whole time director/s such Nominee Director(s) shall exercise such powers and duties as may be approved by the Corporation and have such rights as are usually exercised or available to a whole time director, in the managements of affairs, of the Company. Such Nominee Director(s) shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation.

ROTATION OF DIRECTORS

130. 1) Not less than two third of the total number of directors shall be persons whose period of office is liable to determination by retirement of directors by rotation.
- 2) At every Annual General Meeting of the Company one third of such of the directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.
- 3) Subject to the terms of appointment, Directors appointed under Article 93, 94 and 113, if any, shall not be liable to retire by rotation. All other Directors of the Company are liable to retire by rotation.
- 4) The directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become directors on the same day, those to retire shall, in default of and subject to any agreement amongst themselves, be determined by lot.
- 5) Subject to the foregoing provisions as between directors appointed under any of the Articles referred to above, the director or directors who shall not be liable to retire by rotation shall be determined by and in accordance with their respective seniorities as may be determined by the Board.

131. A retiring director shall be eligible for re-election and shall act as a director throughout the meeting at which he retires.
132. Subject to any resolution for reducing the number of directors, if at any meeting at which an election of directors ought to take place, the places or the retiring directors not filled up, the meeting shall stand adjourned till the next succeeding day which is not a public holiday at the same time and place and if at the adjourned meeting also the places of the retiring directors are not filled up, the retiring directors or such of them as have not had their places filled up shall (it will continue in office) be deemed to have been re-elected at the adjourned meeting.

PROCEEDINGS OF DIRECTORS

133. The directors may meet together for the dispatch of business, and may adjourn and otherwise regulate their meetings and proceedings as they think fit. Subject to the provisions of the Act, the Board shall meet at least once in every calendar quarter in a calendar year at Mumbai or at such other location as determined by majority of the Directors.
134. The meetings of the Board of Directors or a committee of the Directors may be held in by videoconference or conference telephone connection, if permissible by law. A Director may, and the secretary at the request of the Director shall, call a meeting of the Directors.
135. Written notice of at least seven (7) Business Days of every meeting of the Board of Directors shall be given to every Director and every alternate Director at their usual address whether in India or abroad, unless a shorter notice is agreed to by the Directors.
136. The notice of each Board meeting shall include an agenda setting out the business proposed to be transacted at the meeting. Unless waived in writing by all Directors, any item not included in the agenda of a meeting shall not be considered or voted upon at that meeting of the Board.
137. The quorum for the purpose of a Board meeting shall be fixed at three (3) members present and voting, out of which at least one member shall be represented by the Investor. If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Directors, it shall be adjourned until such date and time as the directors present shall appoint.
138. Subject to the provisions of sections 316, 372 (5) and 386 of the Act, questions arising at any meeting shall be decided by 3/4th majority of votes of the Directors present or represented at the meeting, each director having one vote and in case of an equality of votes the Chairman shall have second of casting vote.
139. The Chairman of the Board of directors shall be the chairman of the meeting 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 meeting, the directors present shall choose one of their members to be chairman of such meeting.
140. A meeting of directors for the time being 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 Articles of the Company and the Act are for the time being vested in or exercisable by the Directors generally.
141. The directors may subject to compliance of the provisions of the Act, from time to time, delegate any of their powers to committees consisting of such members or member of their body as they think fit any may, from time to time, revoke such delegation. Any committee so formed shall in the exercise of the powers so delegated confirm to any regulations that may, from time to time be imposed on it by the directors. The meetings and proceedings of any such committee 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 article.

142. All acts done at any meeting of directors or of a committee of the directors or by any person acting as a director shall be valued notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such directors, committee or persons acting as aforesaid or that they or any of them were disqualified.
143. Except resolution which the Act requires in specifically to be passed in a Board meeting a resolution may be passed by the directors or committee thereof by circulation in accordance with the provisions of section 289 of the Act, and any such minutes of any meetings of directors or of any committee or of the company if proposed to be signed by the Chairman of such meeting or by the chairman of next succeeding meeting shall be for all purposes whatsoever as prima facie evidence of the matters in such minutes.
144. In addition to the above, the Investor shall have the right to appoint and remove from time to time one Board observer, who shall be entitled to attend all Board meetings, and shall be given all relevant information as is provided to the Board members, but such observer shall not be entitled to participate in discussions or vote at the Board meetings.

INSURANCE

145. The Company may procure within sixty (60) Business Days of the date of incorporation a suitable Directors and Officers liability insurance cover for all the members of the Board of the Company (including Nominee Directors) and reasonable insurance premium as per the applicable laws of India.

GENERAL POWERS OF THE COMPANY VESTED IN DIRECTORS

146. Subject to the provisions of the Act the management of the business of the company shall be vested in the directors and the directors may exercise all such powers and do all such acts and things as the company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statute or otherwise directed or required to be exercised or done by the company in general meeting, but subject nevertheless to the provisions of the Act and other act and of the Memorandum of Association and these articles and to any regulations, not being inconsistent with, the Memorandum of Association and these articles or Act, from time to time made by the Company in general Meeting provided that no such regulation shall invalidate and prior act of the directors which would have been valued if such regulation had not been made.
147. Without prejudice to the general powers conferred by the Act and the other powers conferred by these presents and so as not in any way to limit any or all those powers it is hereby expressly declared that the directors shall have the following powers:
 - i) to pay the costs, charges and expenses preliminary and incidental to the promotion formation, establishment and registration of the company.
 - ii) to pay and charge to the capital account of the company, interest lawfully payable thereon under the provisions of section 76 and 208 of the Act.
 - iii) Subject to the provisions of the Act and these Articles to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or company carrying on the business which this company is authorised to carry on at or for such price or consideration and generality on such purchase or acquisition to accept such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory.
 - iv) Subject to the provisions of the Act to purchase or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and

outhouses 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;

- v) To erect, construct, enlarge, improve, alter, maintain, pull down, rebuild or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the company and to acquire lands for the purposes of the company, and to acquire lands for the purposes of the company.
- vi) To let mortgage, charge, sell or otherwise dispose of subject to the provisions of section 293 of the Act, any property of the company either absolute or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same *in* cash or otherwise as they may think fit.
- vii) At their discretion to pay for any property rights or privileges acquired by or service rendered to the company either wholly or partially in cash or in shares, bonds, debentures, debenture stock or other 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, debenture stocks 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.
- viii) To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they *may* think proper, all or any part of the building, 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 or assurance effected in pursuance of this power.
- ix) Subject to Section 292 of the Act, to open accounts with any bank or bankers or with any company, firm or individual and to pay money into and draw money from any account from time to time as the directors may think fit.
- x) To secure the fulfillment of any contracts or engagement entered into by the company by mortgage or charge of all or any of the properties of the company and its unpaid capital for the time being or in such other manner as they may think fit.
- xi) To attach to any shares to be issued as the consideration for any contract with or property acquired by the company or in payment for services rendered to the company, such conditions subject to the provisions of the Act, as to the transfer thereof as they may think fit.
- xii) To accept from any member on such terms and conditions as shall be agreed as, surrender of shares or stock or any part thereof subject to the provisions of the Act.
- xiii) To appoint any person or persons (whether incorporated or not), to accept and hold in trust for the company and property belonging to the company or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;
- xiv) 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 subject to the provisions of section 293 of the Act to compromised and allow time for payment or satisfaction of any debts due or of any claims or demands by or against the company.
- xv) To refer, subject to the provisions of section 293 of the Act, any claims or demands by or against the company to arbitration and observe and perform the awards;

- xvi) To act on behalf of the company in all matters relating to bankrupts and insolvents;
- xvii) To make and give receipts, release and other discharge for moneys payable to the company and for the claims and demands of the company subject to the provisions of section 293 of the Act.
- xviii) To determine from time to time as to who shall be entitled to sign bills, notices, warrants, released, contracts, and documents on the company's behalf.
- xix) Subject to the provisions of section 292, 293 and 372A of the Act, to invest and deal with any of the moneys of the company not immediately required for the purposes thereof, upon such shares, securities or investments (not being shares in this company) and in such manner as they may think fit, and from time to time vary or realise such investments;
- xx) 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 for the benefit of the company, such mortgages of the company property (present and future) as they may think fit and any such mortgage may contain a power of sale and such other powers, covenant and provisions as shall be agreed on;
- xxi) Subject to such sanction as may be necessary under the Act or the Articles, to give to any director, officer, or other person employed by the company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the company, and such interest commission or share of profits shall be treated as part of the working expenses of the company;
- xxii) To provide for the welfare of employees or ex-employees of the company and their wives, widows families dependents or connections of such persons by building or contributing to the building of houses, dwelling or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contribution to provident and other funds, institution or trust and by providing or subscribing or contributing towards places of instruction and recreation hospitals, and dispensaries, medical and other attendances and other assistance as the Directors shall think fit.
- xxiii) To subscribe, or contribute or otherwise to assist or to guarantee money to charitable benevolent, religious, *scientific*, national public or any other useful institutions object or purposes for any exhibitions.
- xxiv) To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of and give or procure the giving of donations, gratuities pensions allowances or ,emoluments, to any persons who are or were at any time in the employments or services of the company or of any company which is a subsidiary of the company or its allied to or associated with the company or with any such subsidiary company or who are or were at any time directors or officers of the company or of any such other company as aforesaid and the wives widows, families and establish and subsidise and subscribe to any institutions, associations clubs or funds collected to be for the benefit or to advance the interest and well being of the company or of any such other company as aforesaid and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid.
- xxv) To decide and allocate, the expenditure on capital and revenue account either for the year or period spread over the years.
- xxvi) To appoint and at their discretion to remove or suspend such manager secretaries officers, agents and servants for permanent temporary or special service as they my from time to time think fit and to determine their powers an duties and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit and from time to time to

provide for the management and transactions of the affairs of the company in any *special* locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general, powers conferred by this clause.

- xxvii) At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these presents) and for such period and subject to such conditions as the directors may from time to time think fit and any such appointment (if the directors may think fit) be made in favour of any company or the members directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the member directors, nominees or managers, of any company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the directors and any such power of attorney may contain any such powers for the protection or convenience of persons dealing with such attorneys as the directors may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers authorities, and discretions for the time being vested in them.
- xxviii) Subject to the provisions of the Act, generally and from time to time and at any time to authorise, empower or delegate to (with or without powers of sub-delegation) any director, officer or officers or employee for the time being of the company and/or any other person firm or company all or any of the powers, authorities and discretions for the time being vested in the directors by these presents, subject to such restrictions and conditions if any as the directors may think proper.
- xxix) To enter into all such, negotiations, contracts and rescind and/or vary all such contacts and to execute and do all such act, deeds and or things in the name and on behalf of the company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the company.
148. The directors may authorise any such delegate or attorney as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.
149. The Directors may make such arrangement as may be brought fit for the management of the Companies affairs abroad, and may for this purpose without prejudice to the generality of their powers to appoint local bodies and agents and fix their remuneration and delegate such powers to them as may be/deemed requisite or expedient. The foreign seal shall be affixed by the authority and in the presence of and instruments sealed therein, shall be signed by such persons as the directors shall, from time to time by writing under the common seal appoint. The company may also exercise the powers of keeping foreign registers. Such regulations not being consistent with the provisions of Section 157 and 158 of the Act, the Board may from time to time make such provisions as it may think fit relating thereto and may comply with the requirements of any local law.
150. A provision of the Act or these regulations required, for authorising anything to be done by a Director, Manager or Secretary shall not be satisfied by its being done by the same person acting both as Director and as, or as, or in place of the Manager or Secretary.

ITEMS OF BUSINESS REQUIRING PRIOR CONSENT OF INVESTOR

151. All resolutions and decisions relating to reserved matters listed below to be taken by the Board or general body of Shareholders of the Company or otherwise by the Parties will require Investor's prior mandatory written consent and affirmative vote failing which any such resolution/s or decision/s shall be ultra vires and void:
- Incurring any indebtedness in the Company;

- Making any investment or acquiring any shares in any company which is not within the ordinary course of business;
- Dispose off any material part of the Company's business or assets or undertaking any intangible assets;
- Any alteration of the rights of Investor Shares;
- Any change in the authorised or issued share capital, Memorandum or Articles other than as provided in the Definitive Agreement;
- Issue of any new shares or options (including warrants, options or other rights to acquire shares in the Company);
- Make any changes in class rights, alterations in rights attached to any class of shares of the Company;
- Make any material change in the nature of business of the Company;
- In case of any deviation from the budgeted amounts of the actual (i) capital expenditure incurred; or (ii) any other expenditure / revenues incurred / earned that could have an adverse impact on the Business of the Company as per the annual Business Plan by more than 10%, Investor's prior written consent should be sought before such amounts are incurred / earned by the Company.
- Enter into any transaction(s) which are not made on a bona fide arm's length basis;
- Any transaction involving the acquisition of substantially all the assets, shares, voting power or Controlling interest in any other company, business, partnership firm, or body corporate by the Company;
- Any transaction involving the acquisition of substantially all the Equity Shares of the Company by a Person who is not a Party to this Agreement;
- Any transaction involving the sale of substantially all the assets of the Company;
- Any transaction involving the merger, amalgamation, rearrangement or any such corporate restructuring of the Company with another company or with its shareholders or its creditors or any combination thereof;
- Enter into any joint venture, partnership or consortium arrangement other than in the ordinary course of business;
- Any substantial acquisition of shares, voting rights, Control in/over another company by the Company;
- Any amendment, modification, or waiver of any provisions of the Articles or Memorandum of the Company;
- The creation of any subsidiary, whether by formation, acquisition or otherwise;
- Any change in the scope of business entry into any new business, suspension or cessation of business or transfer of all or a material portion of business, in each case, by the Company;
- Enter into new or competing business other than in the ordinary course of business;
- The appointment of the Auditors of the Company, the replacement of such Auditor;
- Any change in the size or composition of the Board or any committee of the Board other than in the manner as set out in the Agreement or pursuant to any subsequent round of financing;

- Any binding agreement to take any of the foregoing actions;
- Any cancellation and/or reduction of the Shares or share capital of the Company;
- Any commencement of a voluntary winding up, liquidation or to dissolve the Company;
- Any transaction with its Affiliates or its subsidiary or with any of the Promoter or any of their Affiliates;
- Any declaration or payment of dividend on Equity Shares;
- Issue any security, guarantee or indemnity (except in case of the Company's bankers to secure the Company's borrowings);
- Any change to the Terms of Reference of the compensation committee;
- An increase of more than 15% in the total compensation of the 5 most highly compensated employees of the Company in twelve month period;
- The purchase or sale of any real estate for the Company's use;
- The strategic purchase of equity shares or any other security in any company provided that the Company shall not indulge in a purchase of securities whether traded publicly or not, for speculative interests other than that of high grade money market securities;
- Incurring an aggregate expense in excess of Rs. 1 Million in any budgeted financial quarter;
- The extension of any loan to any third party including employees and senior management of the Company which shall individually not exceed Rs 50,000 and collectively not exceed Rs 5,00,000;
- Creation of any new subsidiaries;
- Change in accounting principles;
- The commencement of any litigation by the Company, provided however no such consent shall be required in the event the litigation has been commenced (i) in the ordinary course of business; or (ii) against any customer, vendor, employees or competitors of the Company; or (iii) in relation to matters in which either of the Investor and UAL may be interested; or (iv) in connection with an investment or (v) as a result of any compelling events or circumstances (including matters involving any criminal charge or prosecution), where prompt notice is given to each Investor immediately thereafter;
- Approval of the size and terms of any public offering of the Company's securities including any Initial Public Offering or public sale of Shares and any later round of financing;
- Entering into any agreement or transaction not in the ordinary course of business of the Company;
- Change in registered office of the Company; and
- Change in the auditors of the Company.

INITIAL PUBLIC OFFERING ("IPO")

152. Subject to the prevailing market conditions, and the commercial feasibility, the Board of the Company shall initiate the process of undertaking a qualified IPO of the Equity Shares of the Company. Subject to the Applicable Law and the SEBI (Disclosure and Investor Protection) Guidelines 2000, each of the

Parties shall be free to sell their respective Equity Shares in the Company. The Investor shall not be considered a Promoter of the Company and therefore the Investor's' shares shall not be subject to any statutory lock up restrictions applicable to a Promoter arising from an IPO.

Upon the completion of the IPO of the Company, all the affirmative rights of the Investor in the Company as mentioned in Article 135 above shall cease to exist.

MANAGING DIRECTORS

153. Subject to the provisions of Section 269, 316 and 317 of the Act the Board, may, from time to time appoint one or more directors to be Managing Directors or Managing Director and /or Whole time Directors and /or Special directors like Technical Directors, Financial Directors etc. of Company and may from time to time, (subject to the provisions of any contract between him or them from office and appoint another or others in his place or their places.
154. Subject to the provisions of Section 255 of the Act and these Articles, a Managing director or special director shall not, while he continues to hold that office be subject to retirement by rotation, but he shall be counted for ascertaining the number of director to retire (subject to the provisions of any contract between him and the company) he shall be subject to the same provisions as to resignation and removal as the other directors and he shall ipso facto and immediately ceased to be a Managing Director or special director, if he ceases to hold the office of director for any cause.
155. Subject to the provisions of Section 198, 269, 309, 310 and 311 of the Act and appropriate approvals, if any, a Managing Director, or special Director shall in addition to the remuneration payable to him as a director of the company under the articles, receive such additional remuneration as may, from time to time be sanctioned by the Company.
156. Subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in Section 292 and 293 thereof, the Board may, from time to time, entrust to and confer upon a managing director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers and such time, and to be exercised for such objects and with such restrictions as it thinks fit, and the Board may confer such powers either collateral with or to the exclusion of and in substitution for all or any of the powers of the Board in that behalf and may from time to time revoke withdraw, alter or vary all or any of such powers.
157. The directors may from time to time appoint and at their discretion remove a person, firm or body corporate to act as the Registrar of the company for the purpose of maintaining the Register of members, and Index of members the Register and Index of debenture holders (if any), copies of all Annual Returns etc. for the purposes of Section 159 of the Act together with the Certificate to be annexed thereto under section 161 and for the purposes of handling Share certificates in compliance with the Companies (Issue of Share Certificates) Rules, 1960.

THE SEAL

158. The Company shall have common seal and the Board shall provide for the safe custody thereof. Subject to applicable laws, the seal shall not be affixed to any instrument, except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf and in the presence of a Director or such other person as the Board may appoint for the purpose and such Director or other person aforesaid shall sign every instrument to which seal of the Company is so affixed in his presence.
159. The Board shall provide for the safe custody of the seal, and the seal shall never be used except by the authority previously given by the Board or committee of the Board authorized by the Board in that behalf. One or more than one director, as may be authorised by the Board, shall sign every instrument to which the seal is affixed. Provided nevertheless, that any instrument bearing the seal of the

company and issued for valuable consideration shall be binding on the company notwithstanding any irregularity touching the authority of the Board to issue the same.

160. The Company may exercise the powers conferred by section 50 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Board and the company may cause to be kept in any state or country outside India, as may be permitted by the Act, a Foreign Register of members or Debenture holders resident in any such state or Country and the Board may from time to time make such regulations as it may think fit respecting the keeping of any such foreign register, such regulations not being inconsistent with the provisions of sections 157 and 158 of the Act and the Board may, from time to time make such provisions as it may think fit relating thereto and may comply with the requirements of any local law and shall, in any case, comply with the provisions of section 157 and 158 of the Act.
161. Save as otherwise expressly provided by the Act, a document or proceeding requiring authentication by the Company may be signed by a Director the Managing Director, the managing agents, the Secretaries and Treasurers, the Managers, the Secretary or their authorized officers, of the company and need not be under its common seal.

DIVIDENDS

162. Unless otherwise agreed between the Parties to the Agreement, the profits of the Company to the extent payable to the Parties on the percentage of the Equity shares held by the Parties shall be ploughed back into the Business of the Company.
163. Where any shares in the company are issued for the purpose of raising money to defray the expenses of construction of any work or building or the provisions of any plant which cannot be made profitable for a lengthy period, the company may interest on so much of that share capital as is for the time paid up, for the period and 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 of building of the provisions of plant.

UNPAID OR UNCLAIMED DIVIDEND

177. Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, then it shall within seven days from the expiry of thirty days transfer the total amount of dividend which remains unpaid or unclaimed within thirty days, to a special account to be opened by the company in that behalf in any scheduled bank, to be called “ Usher Eco Power Limited _____(Year) Unpaid Dividend Account”.

Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund known as Investor Education and Protection Fund established under section 205C of the Act.

No unclaimed or unpaid divided shall be forfeited by the Board.

CAPITALIZATION OF PROFITS

178. A) Any general meeting may receive any amount standing to the credit of the share premium account or the Capital Redemption Reserve Account of any moneys investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realization and where permitted by law, from the appreciation in value of any capital assets of the company) standing to the credit of the General Reserve, Reserve or any Reserve Fund or any other fund of the Company or in the hands of the company and available for dividend may be capitalized. Any such amount (excepting

- the amount standing to the credit of the share premium account and/or the capital redemption reserve account) may be capitalized;
179. By the issue and distribution as fully paid shares debentures, debenture stock, bonds or obligations of the company, or
180. By creating the shares of the company which may have been issued and are not fully paid with the whole or any part of the sum remaining unpaid thereon.

Provided that any amounts standing to the credit of the share premium account may be applied on:

- 1 Paying up unissued shares of the company to be issued to members of the company as fully paid bonus shares:
 - 2 In writing off the preliminary expenses of the company.
 - 3 In writing off the expenses of, or the commission paid or discount allowed on any issue of shares or debentures or the company; or
181. (a) In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the company. Provided further that any amount standing to the credit of the capital redemption reserve account shall be applied only in paying up unissued shares of the company to be issued to the members of company as fully paid bonus shares.

(b)Such issue and distribution under sub-clause (a) (i) above and such payment to the credit to unpaid share capital under sub-clause (a)(ii) above shall be made to among and in favour of the members of any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportionate the amount of capital paid up on the shares held by them respectively in respect of which such distribution under sub-clause (a) (ii) above shall be made on the footing that such members become entitled thereto as capital.

(c)the directors shall give to any such resolution and apply portion of the profits general reserve fund or any other fund or account as aforesaid payment in full for the shares, debenture, for debenture stock, bonds or other obligations of the company so distributed under sub-clause (a) (ii) above provided that no such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalized sum.

(d)For the purpose of giving effect to any such resolution the directors may settle any think expedient and in particular they may issue fractional certificates or coupons and fix the value for distribution of any specific assets and may determine that such payments be made to any members on the footing of the value so fixed and may vest any such cash, shares fractional certificates or coupons, debentures debenture stock bonds, or other obligations in, trustees upon such trusts for the persons entitled thereto as may seem expedient to the directors and generally may make such arrangement for the acceptance allotment and sale of such shares debentures debenture stock bonds or other obligations and fractional certificates or coupons or otherwise as they may think fit.

(e)Subject to the provisions of the Act and these Articles in case where some of the shares of the company are fully paid and others are partly paid only such capitalization may be effected by the distribution of further shares in respect of the fully paid shares and by crediting the partly paid shares with the whole or part of the unpaid liability thereon, but so that *as* between the holders of fully paid shares and the partly paid shares the sum so applied in the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied pro rata in proportion to the amount than already paid or credited as paid on the existing fully paid and Partly paid shares respectively.

(f)When deemed requisite a proper contract shall be filed with, the Registrar of Companies in accordance with the Act and the Board may appoint any persons to sign such contact on behalf of the members entitled as aforesaid and such appointment shall be effective.

NOTICE

176. The company shall comply with the provisions of Section 53, 172 and 190 of the Act, as to the Servicing of Notices.
177. The Signature to any notice to be given by the company may be written printed or lithographed.
178. On any sale of undertaking of the company the directors of the liquidators on a winding up may if authorised by a special resolution accept fully paid or partly paid up shares; debentures or securities of any other company whether incorporated in India or not either than existing or to be formed for the purpose in whole or in part of the property of the company, and the directors (if the profits of the company) or the liquidators (in winding up) may distribute such shares or security or any other property of the company amongst the members without realisation or vest the saving trustees for them and any special resolution may provide for the distribution or appropriation of ,the cash shares or other securities benefits or properties otherwise than in accordance with the strict legal rights of the members or contributories of the company and for the valuation of any such securities or property at such prices and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised and waive all rights in relation there to save only in case to the company is proposed to be or in the course of being wound up such statutory rites, if any under section 494 of the Act as are incapable of being varied or excluded by the presents.

SECRECY CLAUSE

- 179.a)Every director, manager, auditor, treasurer, trustee, member of committee officer, servant, agent account or other person employee in the business of the company shall if so required by the directors before entering upon his duties sign a declaration pledging himself to observe a strict secrecy respecting all transaction, and defers of the company with the 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 matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
- b) No member shall be entitled to visit or inspect any works of the company without the permission of the directors or to require discovery of or any information respecting any details of the company trading or any matter which may relate to the conduct of the business of the company and which in the opinion of the director it would be inexpedient in the interest of the company to disclose.

INDEMNITY AND RESPONSIBILITY

180. Subject to the provisions of section 201 of the Act, every director, managing director, whole time director, manager, secretary and other officers or employees of the company shall be indemnified against and it shall be the duty of the directors to payout of the funds of the company all bonafide costs, losses and expenses (including traveling expenses) which any such directors manager or secretary or other officer or employee may incur or become liable to by reason of any contract entered into or any way in the discharge of his or their duties and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him or by them as such director, manager, secretary, officer or employees in defending any proceeding whether civil or criminal in which judgment is given in his or their favour or he/they is/are acquitted or discharged or in connection with any application under section 633 of the Act in which relief is granted by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the company and have priority as between the members over all claims.

181. Subject to the provisions of the Act and so far as such provisions permit no director auditor or other officer of the Company, shall be liable for act, receipt, neglects or defaults of any other director or officer; for joining in any receipt of act for conformity or for any loss or expenses happening to the company through the insufficiency or deficiency of title to any property acquired by order of the directors for or on behalf of the company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the company shall be invested or for default of oversight on his part for any loss, damage of misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

SPECIAL OBJECTIVE

182. The company shall have among its objectives the promotion and growth of the national economy through increased productivity, effective utilization of material and manpower resources and continued application of modern scientific and managerial techniques in keeping with the national aspiration and the company shall be mindful of its social and moral responsibilities to the consumers, employment, shareholders society and the local community.

GENERAL POWER

183. Wherever in the Companies Act it has been provided that the Company shall have any right privilege or authority or that the company could carry out any transaction apply only if the company is so authorised by its Articles, then and in that case this regulation hereto authorizes and empowers the company to have such rights, privilege or authority and to carry such transaction as have been permitted by the Act, without there being any specific regulation in that behalf herein provided.

BRAND REGISTRATION

184. The Company shall initiate the process of registering the brand “Usher Eco Power Ltd” in the name of the Company as a trademark and copyright. The brand should be treated as an asset to the company and all uses of it like sale, licensing etc would require the Investor’s affirmative vote.

MORE FAVORABLE TERMS

185. In the event of any person subscribing to the Company's securities on terms which are directly or indirectly more favorable than those on which the Investor has subscribed to, the Investor shall be entitled to such favorable terms.

EXCLUSIVITY

186. The Promoters and UAL jointly and severally undertake that the Company shall be the exclusive vehicle for the execution of all power generation projects that form part of the Business of the Company, except as provided for in Article 171 herein below, and that neither Promoters nor UAL would, directly or indirectly through their Affiliates, engage in any business that competes directly or indirectly with the Business of the Company in future. It is further agreed between the Parties that UAL (excluding its Affiliates, successors and permitted assigns) shall be the exclusive vehicle for executing all agro based business.

187. It is hereby agreed between the Parties that UAL and/or its Affiliates shall supply the raw materials produced by it/them which inter-alia includes husk, straw generated from processing of wheat, and such other ancillary raw materials used for the generation of power exclusively to the Company. In case the Company decides not to purchase such raw materials from UAL and/ or its Affiliates at any time, then UAL and /or its affiliates shall be free to sell such raw materials to third parties. It is further agreed between the Parties that the aforesaid raw materials purchased by the Company from UAL and/or its Affiliates shall be at a market determined price acceptable to the Parties.

NON COMPETE AND NON-SOLICITATION

188. The Promoters and UAL hereby agree and undertake that during the term of this Agreement, the Company shall not, directly or indirectly, either on its own account or as a partner, employee, consultant, advisor, agent, contractor, director, trustee, committee member, office bearer, or shareholder (or in a similar capacity or function) either independently or jointly promote, partner or take share in any power generation business or any venture within the same or similar line of business as that of the Business of the Company.
189. The Promoters and UAL shall not directly or indirectly own, solely as an investment, or otherwise invest in securities of any company, organisation or entity engaged in a business similar to the Business of the Company.
190. Provided However That, the above restriction shall not be applicable in cases where the Promoters invest upto 5% of the paid up equity share capital of the investee company with no intention to take any controlling interest in the Company.
191. Notwithstanding anything contained hereinabove in Article 167 and 168 above, UAL shall be entitled to initially install a six (6) megawatt power generation plant. However, in case of any additional power beyond six (6) megawatts that is required by UAL for its captive consumption, the Company shall sell its power to UAL at cost price to meet such additional power requirement of UAL.
192. The Promoters and UAL shall not solicit employment of or advise any person who is employed by the Company to terminate his or her contract or relationship with the Company or to accept any contract (directly or indirectly) or other arrangement for providing services to any other person or organization.
193. The Promoters and UAL whether jointly or independently, shall not enter into any agreement or any arrangement, or render any other services to, any person engaged in a business, which competes with the Business of the Company.
194. Notwithstanding anything contained in this section, the Promoters and UAL acknowledge that the Investor including any of its Affiliates may invest in companies some of which may compete with the Business of the Company. The Investor shall not be liable for any claim arising out of a claim based on or out of (i) the fact that the Investor holds a stake or substantial investment in any entity that competes with the Company or (ii) any action taken by any officer of the Investor or its Affiliate to assist any such competitor company, whether or not such action was taken as a Board member of such competitor company or otherwise, notwithstanding the such as action may have a adverse or detrimental effect on the Company.
195. The Company, the Promoters and UAL hereby undertake not to place any restriction on the Investor or its Affiliates for investing in the equity of any company engaged in the same or similar business as that of the Company; or entering into agreements with companies, or persons in India or elsewhere, engaged in the same of similar business as the Business of the Company.

WINDING UP

196. If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay whole of the paid up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of 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 of 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.
197. In the event of the company being wound up whether voluntarily or otherwise, the liquidators, may with the sanction of special resolution divide amongst the contributories, in specie or kind, the whole or 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 forth with benefit of the contributories or any of them as the liquidators, with like sanction shall think fit.

SECTION XI - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which have been attached to the copy of the Draft Red Herring Prospectus, delivered to the ROC, Maharashtra at Mumbai for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office of our Company from 10.00 am to 4.00 pm on working days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts to the Issue

1. Letter of Engagement dated September 6, 2007 further extended as per the Engagement Letter September 2, 2008 from IDBI Capital Market Services Limited offering their services to act as BRLM and Company's acceptance thereto.
2. Memorandum of Understanding dated October 17, 2008 between our Company and the BRLM to this Issue.
3. Memorandum of Understanding dated April 23, 2008 between our Company and Bigshare Services Private Limite as Registrars.
4. Escrow Agreement dated [●], 2008 between our Company, BRLM, the Escrow Banks, and the Registrar to the Issue.
5. Syndicate Agreement dated [●], 2008 between our Company, the BRLM, and the Syndicate Member.
6. Underwriting Agreement dated [●], 2008 between our Company, the BRLM and the Syndicate Members.
7. Stabilization Agreement dated October 8, 2008 between Usher Eco Power Limited, Green Shoe Lenders and IDBI Capital Market Services Limited

Material Documents for Inspection

1. Certified true copies of the Memorandum and Articles of Association of our Company.
2. Certificate of Incorporation of our Company dated July 20, 2007.
3. Copy of the resolution passed at the meeting of the Board of Directors held on June 25, 2008 approving the Public Issue.
4. Copy of Resolution of the Members of our Company passed at the Annual General Meeting held on June 27, 2008 pursuant to Section 81(1A) of the Companies Act.
5. Copy of the Statement of Tax Benefits report dated August 19, 2008 issued by the Statutory Auditors, M/s. Haribhakti & Co., Chartered Accountants.
6. Reports of the Statutory Auditors, M/s. Haribhakti & Co., Chartered Accountants dated September 26, 2008 as per Indian GAAP and included in the Draft Red Herring Prospectus.
7. Consents letters of the (a) Directors, (b) Company Secretary and Compliance Officer, (c) Book Running Lead Manager to this Issue, (d) Legal Advisors, (e) Bankers to our Company, (f) Bankers to this Issue and (g) Registrars to this Issue, to include their names in the Draft Red Herring Prospectus to act in their respective capacities.

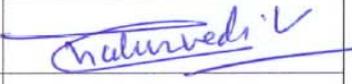
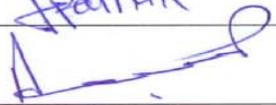
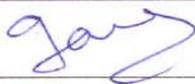
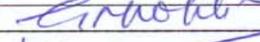
8. Consent letters dated August 19, 2008 from M/s. Haribhakti & Co., Chartered Accountants, for inclusion of their names as the Statutory Auditors and of their reports on accounts in the form and context in which they appear in the Draft Red Herring Prospectus.
9. Consents dated September 30, 2008 from MITCON Consultancy Services Private Limited for inclusion of their name in this DRHP for as Project Consultant and for inclusion of their statement in the form and context in which they appear in the Draft Red Herring Prospectus.
10. Consent letters dated September 10, 2008 from State Bank of India for inclusion of their names as appraiser of the project and of their assessment note dated March 24, 2008 on the Biomass Power Project of our Company in the form and context in which they appear in the Draft Red Herring Prospectus.
11. Certified true copies of general meeting resolutions passed under Section 269 of the Companies Act, 1956 in relation to the appointment of our whole-time Directors and variation in the terms of their appointment.
12. Agreements dated June 25, 2008 appointing Mr. Vinod Kumar Chaturvedi as Managing Director and Mr. Manoj Chaturvedi as Joint Managing Director.
13. Due diligence Certificate dated October 20, 2008 to SEBI from IDBI Capital Market Services Limited.
14. Listing application dated [●] and [●] filed with the NSE and the BSE, respectively.
15. In-principle listing approvals dated [●] and [●] from BSE and NSE, respectively.
16. Tripartite agreement between the NSDL, our Company and the Registrar dated August 29, 2008.
17. Tripartite agreement between the CDSL, our Company and the Registrar dated September 1, 2008.
18. SEBI observation letter no. [●] dated [●]
19. Share Subscription and Shareholders Agreement dated April 20, 2007 between Usher Agro Limited, Mr. Vinod Kumar Chaturvedi, Mr. Manoj Chaturvedi and Transform Engineering Private Limited as enumerated on page 71 of the Draft Red Herring Prospectus.
20. Supplemental Share Subscription and Shareholders Agreement dated September 30, 2008 between between Usher Agro Limited, Mr. Vinod Kumar Chaturvedi, Mr. Manoj Chaturvedi and Transform Engineering Private Limited as enumerated on page 71 of the Draft Red Herring Prospectus
21. Sanction Letter dated March 24, 2008 from the State Bank of India for the sanction of a term loan of Rs. 2500 lacs.
22. Assessment Note from State Bank of India, Commercial Branch, Mid Corporate Group.
23. Consent from Credit Analysis and Research Limited (CARE) for inclusion of their name in this DRHP for as the IPO Grading Agency and for inclusion of their report dated [●] in the form and context in which they appear in the Draft Red Herring Prospectus and the Prospectus.

Any of the contracts or documents mentioned in the 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.

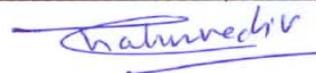
DECLARATION

We, the Directors of our Company, hereby declare that, all the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Draft 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 guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF USHER ECO POWER LIMITED

Sr. No.	Name of Director	Designation	Signature
1.	Mr. Vinodkumar Chaturvedi	Managing Director	
2.	Mr. Manoj Chaturvedi	Joint Managing Director	
3.	Mr. Ajay Prakash Arora	Independent Director	
4.	Mr. Pandoo Naig	Independent Director	
5.	Mr. Vijay Ranchan	Independent Director	
6.	Mr. Srinivasachari Rajagopal	Independent Director	
7.	Mr. Guru Prasad Kohli	Independent Director	

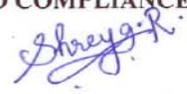
SIGNED BY THE MANAGING DIRECTOR
Mr. Vinodkumar Chaturvedi



MANAGER (ACCOUNTS AND FINANCE)
Mr. Yogesh Chaturvedi



SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER
Ms. Shreya Ramakrishnan



Place: Mumbai

Date: October 20, 2008