



BS TRANSCOMM LIMITED

(We were originally incorporated as B. S. Steels and Minerals Private Limited on January 7, 2004. The name of our Company was changed to BS TransComm Private Limited pursuant to a fresh certificate of incorporation dated January 24, 2008. Our Company was converted into a public limited company and the name of our Company was changed to BS TransComm Limited pursuant to a fresh certificate of incorporation dated February, 7, 2008. For details of incorporation, changes of name and changes in registered office of our Company, please refer to the section titled "History and Certain Corporate Matters" beginning on page 85 of the Draft Red Herring Prospectus.)

Registered Office and Corporate Office: 504, Trendset Towers, Road No. 2, Banjara Hills, Hyderabad 500 034 **Tel No:** + 91 40 6666 6204; **Fax No:** + 91 6666 7268; **Website:** www.bsgroup.in;
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Contact Person: Mr. Archit Sood, Company Secretary and Compliance Officer

PUBLIC ISSUE OF 76,79,410 EQUITY SHARES OF RS.10 EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE) AGGREGATING TO Rs. [●] LACS, ("THE ISSUE"), BY BS TRANSCOMM LIMITED ("OUR COMPANY", OR "THE ISSUER"). THE ISSUE WILL CONSTITUTE 35.10 % OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF OUR COMPANY.
OUR COMPANY IS CONSIDERING A PRE-IPO PLACEMENT OF UPTO 22,09,744 EQUITY SHARES TO CERTAIN INVESTORS PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC ("PRE-IPO PLACEMENT"). IF THE PRE-IPO PLACEMENT IS COMPLETED, THE NUMBER OF EQUITY SHARES ISSUED PURSUANT TO THE PRE-IPO PLACEMENT WILL BE REDUCED FROM THE ISSUE, SUBJECT TO A MINIMUM ISSUE SIZE OF 25% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL.
PRICE BAND: RS.[●] TO RS.[●] PER EQUITY SHARE OF FACE VALUE OF 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") and by issuing a press release and also by indicating the change on the website of the Book Running Lead Manager and terminals of the Syndicate Members and the Self Certified Syndicate Banks, registered with SEBI.
The Issue is being made through a 100% Book Building Process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only, and the remaining QIB portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above Issue Price. If the aggregate demand by Mutual Funds is less than 5% of the QIB portion, the balance Equity Shares available for allocation in the Mutual Fund portion will be added to the QIB portion and be available for allocation proportionately to the QIB Bidders. Further not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders subject to valid Bids being received from them at or above the Issue Price.

IPO GRADING

This Issue has been graded by [●] as [●] (pronounced [●]), indicating [●]. The rationale furnished by the grading agency for its grading, will be updated at the time of filing of the Red Herring Prospectus with the RoC/ Designated Stock Exchange. For more information on IPO Grading, please refer to the section titled "General information" beginning on page 8 of the Draft Red Herring Prospectus.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The Face Value of the Equity Shares is Rs.10/- and the Floor Price is [●] times of the Face Value. The Price band (as determined by our Company in consultation with the Book Running Lead Manager ("BRLM") on the basis of assessment of market demand for the Equity Shares by way of the Book Building Process) 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 RISK

Investment in equity and equity related securities involves 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" beginning on page xi of the Draft Red Herring Prospectus carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the 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 section titled Risk Factors beginning on Page No. xi of the Draft Red Herring Prospectus.

THE COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company having made all reasonable inquiries, accepts responsibility for, and confirms that the Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of this Issue; that the information contained in the Draft Red Herring Prospectus is true and correct in all material respects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). The in-principle approvals of the Stock Exchanges for listing the Equity Shares have been received pursuant to letter no. [●] dated [●], 2008 and letter no. [●] dated [●], 2008 respectively. Bombay Stock Exchange Limited shall be the Designated Stock Exchange.



BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
 IL&FS Investsmart Securities Limited The IL&FS Financial Centre, Plot C-22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai: 400051, India Tel: +91 22 2653 3333 Fax: +91 22 2653 3075 Email: bsgroup@investsmartindia.com Website: www.investsmart.in Contact Person: Mr. Alok Goyal/ Mr. Nakul Kapoor Registration No: INM000002475 Investor Grievance E-mail: ibredressal@investsmartindia.com	 Karvy Computershare Private Limited Karvy Computershare Private Limited Plot No. 17 to 24, Vithalrao Nagar, Madhapur, Hyderabad 500 086 Tel: +91 40 23420818 Fax: +91 40 23431551 Email: einward.ris@karvy.com Website: www.karvy.com Contact Person: Mr. M Murali Krishna Registration No: INR000000221
ISSUE PROGRAMME	
BID/ISSUE OPENS ON: [●]	BID/ISSUE CLOSES ON: [●]

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

In the Draft Red Herring Prospectus, all references to “BS TransComm Limited”, “BSTL”, “Issuer”, “we”, “us”, “our” and “our Company” are to BS TransComm Limited, a company incorporated under the Companies Act, 1956, with its registered office at 504, Trendset Towers, Road No. 2, Banjara Hills, Hyderabad 500 034.

In the Draft Red Herring Prospectus, all references to, “BS Group” and “Group” are to BS TransComm Limited and its Group Companies, as defined hereunder.

Company Related Terms

Term	Description
Articles/Articles of Association	Articles of Association of our Company
Auditors	The statutory auditors of our Company, M/s M. Bhaskara Rao and Co., Chartered Accountants.
Board/Board of Directors	The board of directors of our Company, unless the context otherwise specifies.
Directors	Directors of our Company, unless otherwise specified
ESOP/ BSTL ESOP	The employee stock option scheme framed by the Company being the BS TransComm Employee Stock Option Scheme
Factory	Our factory at Survey No. 82, 83, 92 – 95 and 107, Athevelly Village, Medchal Mandal, R. R. District, Andhra Pradesh – 501 401.
Memorandum/ Memorandum of Association	Memorandum of Association of our Company, unless the context otherwise specifies.
Phase I	Phase I of our Project, which is, a unit having a capacity of 84,000 MTA of telecommunication and power transmission towers and a rolling mill plant having a capacity of 90,000 MTA.
Phase II	Phase II of our Project, which is, a unit having a capacity of 1,20,000 MTA of telecommunication and power transmission.
Project	The proposed new manufacturing unit of our Company at Survey No. 41, Majidpally Village, Toopran Mandal, Medak District, Andhra Pradesh, where we propose to undertake the fabrication and galvanisation of towers and set up a rolling mill plant.
Promoters	The promoters of our Company, namely, Mr. Rajesh Agrawal, Mr. Rakesh Agarwal and Mr. Mukesh Agarwal
Promoter Group	Unless the context otherwise specifies, refers to Yograj Real Estates Private Limited, Novus Real Estates Private Limited, Shivaganga Infrastructures Limited, I-Vantage Apac Private Limited, I-Vantage India Private Limited, Reemalaxmi Mining and Energy Limited, CVK Developers Limited, Agarwal Developers, Everest Ventures, Champa Devi Foundation, a charitable trust and Big Indian’s Do Karma Foundation, a charitable trust.
Registered Office	The registered office of our Company situated at 504, Trendset Towers, Road No. 2, Banjara Hills, Hyderabad 500 034.
Scheme of Amalgamation/ Scheme	The scheme of amalgamation approved by the Hon’ble High Court of Judicature at Andhra Pradesh at Hyderabad for the amalgamation of B.S. Integrated Steel Products Private Limited with our Company. For further details of the details, please refer to the section titled “History and Certain Corporate Matters” beginning on page 85 of the Draft Red Herring Prospectus.
Subsidiary	The subsidiary of our Company, namely BS Infratel Limited

Issue Related Terms

Term	Description
Allotment/Allot/Allotted	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue
Allottee	A successful Bidder to whom the Equity Shares are Allotted
ASBA Investor	ASBA Investor means an Investor who intends to apply through ASBA process

Term	Description
	and: a. is a “Resident Retail Individual Investor”; b. is bidding at cut-off, with single option as to the number of shares Bid for; c. is applying through blocking of funds in a bank account with the SCSB; d. has agreed not to revise his/her Bid; e. is not bidding under any of the reserved categories
ASBA Form/ Bid-cum-ASBA Form	The form used by an ASBA Investor to submit a Bid through a Self Certified Syndicate Bank which would be considered as an application for Allotment to ASBA Investors in terms of the Red Herring and the Prospectus to be filed before the Registrar of Companies.
ASBA Process	The ASBA process, as detailed in the section titled “Issue Procedure” beginning on page 175 of the Draft Red Herring Prospectus.
Banker(s) to the Issue	[●]
Basis of Allotment	The basis on which Equity Shares will be Allotted to Bidders under the Issue and which is described under “Issue Procedure” on page 175 of the Draft Red Herring Prospectus
Bid	An indication to make an offer during the Bidding Period by a prospective investor to subscribe to the Equity Shares of our Company 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 in the Issue
Bid/Issue Closing Date	The date after which the Syndicate will not accept any Bids for the Issue, which shall be notified in a English national newspaper, a Hindi national newspaper and a Telegu newspaper with wide circulation
Bid/Issue Opening Date	The date on which the Book Running Lead Manager shall start accepting Bids for the Issue, which shall be notified in a English national newspaper, a Hindi national newspaper and a Telegu newspaper with wide circulation
Bid cum Application Form	The form used by a Bidder to make a Bid and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form
Bidding/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Book Building Process/Method	The book building route as provided under Chapter XI of the SEBI Guidelines, in terms of which this Issue is being made
BRLM/Book Running Lead Manager/ IISL	Book Running Lead Manager to the Issue, in this case being IL&FS Investsmart Securities Limited.
Business Day	Any day on which commercial banks in Hyderabad are open for business
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 the Issue Price in accordance with the Book Building Process
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted
Controlling Branch	Branch offices of the SCSBs which the respective SCSB which identified as a controlling branch and which shall be the single point interface for the Registrar, the Stock Exchanges and the BRLM for co-ordination and communication.
Cut-off Price	Any price within the Price band finalised by the Company in consultation with the Book Running Lead Manager. A Bid submitted at Cut-Off Price is a valid price at all levels within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price, for a Bid Amount not exceeding Rs. 1,00,000. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Designated Branch	Branch offices of the SCSBs which the respective SCSB has identified as a designated branch at which the Physical ASBA Form can be submitted by an ASBA Investor.
Designated Date	The date on which funds are transferred from the Escrow Account to the Issue

Term	Description
	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	The Bombay Stock Exchange Limited
DP ID	Depository Participant's Identity
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated September 27, 2008 of the Companies Act, which does not contain complete particulars of the price at which the Equity Shares are issued and the size (in terms of value) of the Issue
Electronic ASBA	The Bid-cum-ASBA Form submitted electronically by the ASBA Investor through the internet banking facility provided by the SCSB
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein.
Equity Shares	Equity shares of our Company of Rs. 10 each fully paid up unless otherwise specified in the context thereof
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, BRLM, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders on the terms and conditions thereof
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account will be opened
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalized and below which no Bids will be accepted
Issue	This public issue of 76,79,410 Equity Shares of Rs. 10 each for cash at a price of [●] each aggregating to Rs. [●] lacs, by our Company.
Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account on the Designated Date
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 Book Running Lead Manager on the Pricing Date
Issue Proceeds	The gross proceeds of the Issue that are available to the Company
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, being 10% to 100% of the Bid Amount
Mutual Fund Portion	5% of the QIB Portion or 1,91,985 Equity Shares available for allocation to Mutual Funds, out of the QIB Portion
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Net Proceeds	The Issue Proceeds less the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses see "Objects of the Issue" on page 24 of the Draft Red Herring Prospectus
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 1,00,000 (but not including NRIs other than eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 11,51,911 Equity Shares of Rs. 10 each available for allocation to Non-Institutional Bidders
Pay-in Date	Bid Closing Date or the last date specified in the CAN sent to Bidders, as applicable
Pay-in-Period	<p>(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</p> <p>(ii) With respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date</p>

Term	Description
	and extending until the closure of the Pay-in Date
Physical ASBA	The Bid-cum-ASBA Form submitted physically by an ASBA Investor with the Designated Branches of the SCSBs.
Price Band	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 Book Running Lead Manager finalizes the Issue Price
Prospectus	The Prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act, containing, inter alia, the Issue Price that is determined at the end of the Book Building process, the size of the Issue and certain other information
QIB Margin Amount	An amount representing at least 10% of the Bid Amount
QIB Portion	The portion of the Issue being not more than 38,39,705 Equity Shares of Rs. 10 each required to be allocated to QIBs
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, FIIs other than a sub-account which is a foreign corporate or foreign individual, scheduled commercial banks, mutual funds registered with SEBI, venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 lacs and pension funds 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
Refund Account	The account opened with Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Bid Amount shall be made
Refund Bank	[●]
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS as applicable
Registrar to the Issue	Registrar to the Issue, in this case being Karvy Computershare Private Limited
Retail Individual Bidder(s)	Individual Bidders who have Bid for Equity Shares for an amount not more than Rs. 100,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Issue being not less than 26,87,794 Equity Shares of Rs. 10 each available for allocation to Retail Individual Bidder(s)
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s)
RHP or Red Herring Prospectus	The Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of 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 (3) days before the Bid Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
Self Certified Syndicate Bank	Self Certified Syndicate Bank is a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994 which offers the service of making an Applications Supported by Blocked Amount and recognized as such by SEBI
Stock Exchanges	BSE and NSE
Syndicate/Members of the Syndicate	The Book Running Lead Manager and the Syndicate Members
Syndicate Agreement	The agreement to be entered into between the Syndicate and our Company in relation to the collection of Bids in this Issue
Syndicate Members	[●]
TRS/Transaction Registration Slip	The slip or document issued by the Syndicate to the Bidder as proof of registration of the Bid
Underwriters	The Book Running Lead Manager and the Syndicate Members
Underwriting Agreement	The agreement among the members of the Syndicate and our Company to be entered into on or after the Pricing Date

Conventional and General Terms/ Abbreviations

Term	Description
Act or Companies Act	The Companies Act, 1956
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amounts
AY	Assessment Year
BIFR	Board for Industrial and Financial Reconstruction
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996, as amended from time to time
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECS	Electronic Clearing Service
EGM	Extraordinary General Meeting
EPS	Earnings Per Share i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder and amendments thereto
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000 and amendments thereto
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investor) Regulations, 1995 and registered with SEBI under applicable laws in India
Financial Year/ Fiscal/ FY	Period of twelve months ended March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
GDP	Gross Domestic Product
GoI/Government	Government of India
HNI	High Net worth Individual
HUF	Hindu Undivided Family
I.T. Act	The Income Tax Act, 1961, as amended from time to time
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
Mn / mn	Million
MOU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of Profit and Loss account, divided by number of issued equity shares
NCR	National Capital Region
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NR	Non-resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which

Term	Description
	not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Transfer or Issue of Foreign Security by a Person resident outside India) Regulations, 2000. OCBs are not allowed to invest in this Issue
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
PAT	Profit after tax
PBT	Profit before tax
PIO	Persons of Indian Origin
PLR	Prime Lending Rate
RBI	The Reserve Bank of India
RoC	Registrar of Companies, Sultannagar, Hyderabad
RONW	Return on Net Worth
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCSB	Self Certified Syndicate Bank
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992, as amended from time to time
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI DIP Guidelines/ SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997
Sec.	Section
SEZ	Special Economic Zone
SIA	Secretariat for Industrial Assistance
State Government	The government of a state of the Union of India
Stock Exchange(s)	BSE and/ or NSE as the context may refer to
UIN	Unique Identification Number
US / USA	United States of America
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD/ US\$/U.S.\$	United States Dollars
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996

Technical/Industry Related Terms

Term	Description
BPLR	Bank Prime Lending Rate
BTS	Base Transceiver Station
CDSL	Central Depositories Services (India) Limited
DoT	Department of Telecommunication
EPC	Engineering Procurement and Construction
EPCG	Export Promotion Capital Goods Scheme
FIPB	Foreign Investment Promotion Board
FMV	Fair Market Value
GBT	Ground Based Tower
IPR	Intellectual Property Rights

Term	Description
IT	Information Technology
JV	Joint Venture
Km	Kilometer
Lilo	Line in line out
MTA	Metric Tons per Annum
MW	Mega Watt
MU	Million Units
NEFT	National Electronic Funds Transfer
Nifty	National Stock Exchange Sensitive Index
NSDL	National Securities Depositories Limited
pH	Power of hydrogen
PLR	Prime Lending Rate
RF	Radio Frequency
SENSEX	Bombay Stock Exchange Sensitive Index
Towers	Towers would be deemed to mean telecommunication and power transmission tower, unless otherwise provided
TRAI	Telecom Regulatory Authority of India
USO	Universal Service Obligation

All other words and expressions used but not defined in the Draft Red Herring Prospectus, but defined in the Companies Act, the SEBI DIP Guidelines or in the Securities Contracts (Regulation) Act and/ or the Rules and the Regulations made thereunder, shall have the meanings respectively assigned to them in such Acts or the Rules or the Regulations or any statutory modification or re-enactment thereto, as the case may be.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

Unless stated otherwise, the financial data in the Draft Red Herring Prospectus is derived from our restated financial statements, prepared in accordance with Indian GAAP and the SEBI Guidelines, which are included in the Draft Red Herring Prospectus and set out in the section titled “Financial Information” beginning on page 123 of the Draft Red Herring Prospectus. Our Fiscal commences on April 1 and ends on March 31.

In the Draft Red Herring Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding off.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout the Draft Red Herring Prospectus has 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 the Company believes that industry data used in the Draft Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

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

FORWARD LOOKING STATEMENTS

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

Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in our industry. Important factors that could cause actual results to differ materially from our expectations include, among others:

- Decrease in demand for communication towers;
- Increase in cost and decrease in revenue due to perceived health risks from radio emissions from telecommunication towers;
- Consolidation or merger of wireless service providers;
- our ability to retain our current employees;
- occurrence of natural disasters or calamities affecting the areas in which we have operations;
- general economic and business conditions in India;
- changes in political and social conditions in India and;
- the performance of the financial markets in India and globally

For further discussion of factors that could cause our actual results to differ from our expectations, see “Risk Factors”, “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages xi, 65 and 143 of the Draft Red Herring Prospectus. Neither our Company nor any of the Underwriters nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof. In accordance with SEBI requirements, our Company and the Book Running Lead Manager will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II: 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 the Equity Shares. To obtain a complete understanding, you should read this section in conjunction with the sections titled “Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 143 of the Draft Red Herring Prospectus as well as the other financial and statistical information contained in the Draft Red Herring Prospectus. Occurrence of any one or a combination of the following risks, as well as the other risks and uncertainties discussed in the Draft Red Herring Prospectus, could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of the Equity Shares to decline, which could result in the loss of all or part of your investment. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein.

Internal Risk Factors

1. *We are involved in a legal proceeding which, if determined against us, could affect our business and financial conditions.*

Our Company is party to a legal proceeding. No assurances can be given as to whether this matter will be settled in our favour or against us. If a claim is determined against us and we are required to pay all or a portion of the disputed amount, it could have an adverse effect on our results of operations and cash flows. A classification of the legal proceedings instituted against our Company and the monetary amount involved in these cases are mentioned in brief below:

Proceedings instituted against BS TransComm Limited

Type of cases		Number of cases	Quantum involved (Rs.)	Nature of dispute
Motor claim	accidents	1 (one)	5,00,000	The complainants have alleged that an accident involving a vehicle owned by our Company and the son of the complainant resulted in fatality.

Note: The amount indicated in the column above is approximate amounts.

For further details, please refer to the section titled “Outstanding Litigations and Other Material Developments” beginning on page 153 of the Draft Red Herring Prospectus.

2. *Decrease in demand for communication towers would materially and adversely affect our operating results.*

Our business involves the designing, fabrication, galvanizing and erection of telecommunication transmission towers on behalf of third party wireless operators. Telecom operators usually have their own internal procurement policies. These telecom operators follow the ‘need’ based procurement model. The orders from telecom operators are normally large in terms of value and quantities but are generally not spread uniformly through out the year and hence the revenues and profitability of the Company could differ significantly from quarter to quarter.

While demand for our telecommunication towers fluctuate, we must incur certain costs, such as maintaining a staff of our employees in anticipation of future contracts, even when there may be no current business. Consequently, our operating results for any particular period may vary significantly, and should not be considered as necessarily being indicative of longer-term results.

Our business and proposed capital expenditure plans are based on the premise that the subscriber base for wireless telecommunications services in India will grow at a rapid and consistent pace. This in turn would increase the demand for telecommunication towers. If the Indian wireless telecommunications services market does not grow or grows at a slower rate than we expect, or the behavior of market players do not meet our current expectations, the

demand for our services and our growth prospects will be adversely affected, which would have a material adverse effect on our business, prospects, results of operations and financial condition.

Also, currently, a majority of the telecom service providers do not manufacture the telecom transmission towers and they place their orders with companies such as ours. In the event wireless telecommunication operators themselves begin manufacturing and laying out telecommunication towers, our revenues and results of operations may be significantly affected.

3. *Our costs could increase and our revenues could decrease due to perceived health risks from radio emissions from telecommunication towers, especially if these perceived risks are substantiated.*

Public perception of potential health risks associated with cellular and other wireless communications media could slow the growth of wireless companies, which could in turn slow our growth. In particular, negative public perception of, and regulations regarding, these perceived health risks could slow the market acceptance of wireless communications services and increase opposition to the development and expansion of tower sites, which could in turn materially restrict our ability to expand our business.

The potential connection between radio frequency emissions and certain negative health effects has been the subject of substantial study by the scientific community in recent years, and numerous health-related lawsuits have been filed against wireless carriers and wireless device manufacturers in various jurisdictions. In India, petitions have been filed against the installation of communications towers near residential areas owing to concerns relating to the adverse effects of electromagnetic radiation. If a scientific study or court decision results in finding that radio frequency emissions poses health risks to consumers, it could negatively impact the market for wireless communications services, which would adversely affect our business, prospects, results of operations and financial condition.

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

The Indian cellular telecommunication industry has experienced consolidation during the past couple of years, which may result in consolidation of cellular telecommunication networks and reduced capital expenditures due to the potential overlap in network coverage and in expansion plans. Significant consolidation among our existing or potential customers may result in reduced capital expenditures in the aggregate because the existing networks of many wireless carriers overlap, as do their expansion plans. Pursuant to any such consolidation, certain parts of our actual or potential customers' merged networks may be deemed to be duplicative and these customers may attempt to eliminate these duplications. Our future results of operations could be negatively impacted if a significant number of these contracts are eliminated from our ongoing contractual revenues and our growth prospects may be limited if such consolidations occur and eliminate what we currently believe to be potential markets for our services. In addition, the development and commercialization of new technologies designed to improve and enhance the range and effectiveness of cellular telecommunication networks may significantly decrease demand for additional passive telecommunication infrastructure.

There can be no assurance that there will not be further consolidation of Indian cellular telecommunication operators in the future or that new technologies designed to improve and enhance the range and effectiveness of cellular telecommunication networks will not emerge, each of which could decrease our Company's revenue from its key customers and may adversely affect its business and financial condition.

5. *Delay in the roll out of sites by the client may cause an inventory build up and thereby increase our working capital requirements*

In some cases, there may be delay in the roll out of sites by the customer to which towers are to be dispatched, erected and painted. Under such circumstances, we would have to stock the towers at our premises and consequently this may lead to delay in the monthly dispatches, which would consequently lead to an increase in our working capital requirements. Such a situation is detrimental to our business and may affect our results of operations.

6. *We have not entered into any long-term contracts with any of our customers.*

We do not have any long-term contracts with our customers and any change in the buying pattern of the customers could adversely affect the business of our Company. Currently, the transactions with our customers are executed

on the basis of work orders received. There is no compulsion on our clients to place orders, for tower manufacture, exclusively with us and they may concurrently place orders with more than one tower manufacturer. Although we have satisfactory business relations with our customers and have received continued business from them in the past, there is no certainty that the same will continue in the years to come and may affect our profitability.

- 7. *Our buyers prescribe various standards, which we are required to comply with, and they conduct on-site inspections to check on the compliance of the requisite standards and quality.***

Some of our buyers prescribe certain technical and quality standards, which we have to comply with. The customer has right to inspect the material before dispatch from our factory premises or third party premises to the site of construction. The customer has the right to reject the materials if it is not in accordance to the specifications required or quality prescribed by them. In the event that we are unable to comply with their standards and requirements in the future, our profitability and results of operations may be adversely affected.

- 8. *We are yet to acquire the entire portion of land that we require for our Project and any failure to acquire such land may harm our business prospects***

We require 80.00 acres of land for Phase I and Phase II of the Project of which we have currently acquired 68.50 acres of land. We have identified the balance 11.50 acres of land and we intend to acquire the same for approximately Rs. 225 lacs. In the event we are unable to acquire the land at this price or we are unable to acquire the land at all, our business and future prospects may be severely affected.

- 9. *We have not placed orders for all the machinery and equipment that is required for our Project and as a result, we may face time and cost overruns.***

We have not yet entered into definitive agreements or have placed orders for all the machinery and equipment required for our Project. We have currently placed orders for about 30% of the total plants and machinery required for Phase I. We are subject to risks on account of inflation in the price of machinery and other equipment that we require for the Project. These factors may increase the overall cost of our Project, and we may have to raise additional funds by way of additional debt or equity placement to complete our Project, which may have an adverse effect on our business and results of operations.

- 10. *The completion of the Project is dependent on performance of external agencies. Any shortfall in the performance of these external agencies may adversely affect our expansion plans.***

The completion of the Project is dependent on performance of external agencies, which are responsible for construction of buildings, installation and commissioning of plant and machinery and supply and testing of equipment. We cannot assure you that the performance of external agencies will meet the required specifications or performance parameters. If the performance of these agencies is inadequate in terms of the requirements, this may result in incremental cost and time overruns, which in turn may adversely affect our expansion plans.

- 11. *In the event there is any delay in the completion of the proposed pre-IPO Placement, there would be a corresponding delay in the completion of our Project which would inturn affect the revenues and results of operations of our Company***

Our Company is considering a Pre-IPO Placement of up to 22,09,744 Equity Shares with some investors prior to the filing of the Red Herring Prospectus with the RoC. The money, our Company receives pursuant to the placement of the said 22,09,744 Equity Shares, would be utilized for the completion of Phase I of our Project. We intend to commence Phase I of the Project by January 2009. In the event there is any delay in the proposed Pre-IPO Placement and the realization of the moneys in relation thereto, the completion of the Project would be delayed and this would adversely affect our revenues and results of operations.

Moreover, we have not made any alternate arrangement to fulfill the aforesaid requirement of funds for the proposed Project. Any delay in raising the funds from this Issue may adversely affect the implementation of the Project and financial performance of our Company

- 12. *We have entered into arrangements with various parties for meeting the pre-qualification criteria for submission of bids for the execution of projects involving manufacture of power transmission towers and turnkey solutions. In the event we are unable to find suitable partners who are willing to enter into such***

arrangements with us, we may not be able to meet the pre-qualification criteria and hence our business and results of operations may be affected

In order to meet the pre-qualification criteria set out in certain tenders, some of our current operations for providing power transmission towers and turnkey services are conducted through joint partnerships for submission of the bids. We have entered into such arrangements with Zephyr System Private Limited, Dura-Fabs and Bhavani Electricals (“Partners”). This trend is likely to continue in the future. In case we are unable to forge alliances with other companies to meet the pre-qualification requirements, we may lose the opportunity to bid. Further, if we are unable to successfully manage relationships with our partners, such projects, and consequently our profitability, may suffer. The inability of a joint venture partner to continue with a project due to financial or legal difficulties could mean that we may be required to bear increased and possibly sole responsibility for the completion of the project and bear a correspondingly greater share of the financial risk of the project.

As per the terms of the arrangement with some of our Partners, the responsibility and obligation for execution of the projects alongwith the liability for non-performance is both joint and several. We have also entered into written understandings subsequently, with our Partners, whereby the responsibility for execution of a project has been transferred entirely to us and the revenue generated consequently would be paid entirely to us as well. However, the terms of the agreement to bid specifies that under no circumstances, the parties may be absolved of their responsibility for joint execution of the project. Such arrangements may prove to be an impediment on the execution of the projects and we are unable to assure you that we may be able to enforce the terms of the subsequent understanding with the joint bidding partner.

Moreover, in the event of any disagreements between us and our various partners regarding the execution of the projects, we cannot assure you that we will be able to resolve them in a manner that will be in our best interests, which could have a material adverse effect on our business, financial condition and results of operations.

13. We intend to shift from a products focused business model to a products and services business model. In the event we are unable to successfully manage this transition, our business and growth would suffer.

We have recently expanded our business model to providing turnkey services for the telecommunications and power transmission industry. There is no guarantee that we will be able to make a profit as a service provider. Further, efforts to gain entry into the services business may divert management’s focus from our existing products business. If we are unable to successfully manage our transition from being a products provider to a products and services provider, our results of operations may be adversely impacted.

14. The operations of the Company are subject to manufacturing risk and may be disrupted by failure in the facilities.

The Company’s manufacturing operations could be disrupted for reasons beyond its control. These disruptions may include extreme weather conditions, fire, natural catastrophes or raw material supply disruptions. In addition, there is a risk that production difficulties such as capacity constraints, mechanical and systems failures, construction/upgrade delays which may cause suspension of production and reduced output. Any significant manufacturing disruption could adversely affect the ability of the Company to manufacture its products, which could have a material adverse effect on its business, financial condition and future results of operations.

In addition, due to the nature of its business and despite compliance with requisite safety requirements and standards, the operations of the Company are subject to operating risks associated with steel manufacturing. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties. The occurrence of any of these events could have a material adverse effect on the productivity and profitability and on the business, financial condition and future results of operations of the Company.

Also, our manufacturing facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes, lock-outs continued, loss of services of our external contractors, earthquakes other natural disasters and industrial accidents. Our manufacturing facilities are also subject to operating risk arising from compliance with the directives of relevant government authorities. The occurrence of any of these events could significantly affect our operating results.

15. Fluctuation in the cost of raw materials, particularly steel, have put pressure on our margins and could have a material adverse impact on our financial condition and results of operations.

The manufacture of telecommunication and power transmission towers require a substantial amount of raw materials, such as iron ore and steel. The price of steel is severely inconsistent and volatile. Market conditions, including pricing pressure from telecommunication service providers, may prevent us from recovering these increased costs. Furthermore, we do not backward integrate our operations by acquiring the sources of the raw materials. As a result, the Company remains exposed to the risk of raw material cost increases that may result in declining operating margins. Fluctuations in raw material costs may continue to have an adverse effect on our operating results, financial conditions and our cash flows.

16. Due to increasing demand for our products, our dependence on third party manufacturers may increase.

Given the significant increase in demand for our products over the last year, our manufacturing facilities may not have sufficient capacity to cope with future demand. We already outsource some of our production to third parties. In the event the demand for our products exceeds our capacity, we will need to further outsource the manufacturing of our products. We also rely on third party manufacturers to produce various components which we subsequently use to form part of our completed products. As demand for our products increases, our dependence on these third party manufacturers and their components may also increase. There is no assurance that we will be able to find third party manufacturers to produce our products, or the components we use in our completed products, at the expected levels of quality or on terms that are acceptable to us. If, due to these issues, we are not able to maintain sufficient inventory levels for our products, our business could be adversely affected.

17. We have limited operating and financial history in manufacturing activities and handling labour intensive operations.

Our Company was incorporated as an undertaking to carry on the business of steel trading. Though we diversified into tower manufacturing in 2007, a majority of our revenues in fiscal 2007 and 2008 were generated from our steel trading business. We have limited experience in setting up and operating a manufacturing facility of a size similar to our Project

As a result of our limited operating history, there is little data on which to evaluate our past performance in setting up and operating a manufacturing facility of size comparable to the proposed expansion. Also, this inexperience may hinder our ability to operate the proposed plant in a commercially successful manner. We also shall be required to employ a large work force and our limited experience in handling labour related issues may also prove to be a concern. These factors may adversely affect our results of operations and financials.

18. We face competition from other telecommunication and power transmission tower manufacturers.

At present, there are several players in the organized as well as in the unorganized sector who manufacture telecommunication and power transmission towers. These entities offer their products at competitive prices. In the event we are unable to match their pricing, the business volume of our Company may be affected.

19. We have high working capital requirements. If we experience insufficient cash flows or are unable to borrow funds to meet working capital and other requirements, there may be an adverse effect on our results of operations.

Our business requires a significant amount of working capital to finance the purchase of raw materials and other work related expenditures before receipt of payments. Circumstances or events which could also create large cash outflows include among others, losses resulting from environmental liabilities, litigation costs, adverse political conditions, foreign exchange risks and professional and product liability claims. Significant amounts of capital expenditures are required to purchase, maintain and update plants and equipment that are important to our provision of products and services. There could be situations where the total funds available may not be sufficient to fulfill our commitments, and hence we may need to incur additional indebtedness in the future or utilize cash flows from operations and other activities to satisfy our working capital and capital expenditure needs. If we experience insufficient cash flows or are unable to borrow funds on a timely basis or at all to meet working capital, and other requirements, there may be an adverse effect on our results of operations.

20. Notifications issued by the Department of Telecommunications ("DoT") may affect the demand for telecommunication towers

The Telecom Engineering Centre's recommendation to the DoT to make subscriber criteria more stringent would preclude the existing GSM operators from getting more spectrum in the existing circles. This criteria, along with DoT's requirements on mobile number portability in the metros, would encourage higher tenancy ratio, thereby lowering the requirements for telecommunication towers in the country and consequently may hurt our results of operations.

21. *We have not registered any of our intellectual properties and any failure to protect our intellectual properties may affect our result of operations*

We have made an application for registration of our label "BS Group", as appearing on the cover page, in class 9 under the Trade Marks Act, 1999. Currently, we cannot claim ownership over any registered trademark. For more details, please refer to the section titled "Licences and Approvals" beginning on page 154 of the Draft Red Herring Prospectus. Any failure to protect our intellectual property rights may adversely affect our business and results of operation.

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

We have availed of a term loan facility from IDBI Limited and have received a sanction for a loan from Punjab National Bank Limited. The conditions of the indebtedness include several restrictive covenants in relation to our capital structure and also allow IDBI Limited to appoint a nominee director on our Board. For further details, please refer to the titled "Financial Indebtedness" beginning on page 150 of the Draft Red Herring Prospectus. These restrictive covenants could limit the flexibility of our business operations and may have an adverse effect on our business, financial condition and results of operations.

23. *We require certain approvals and licenses in the ordinary course of business, and the failure to obtain or retain them in a timely manner may adversely affect our operations.*

We require certain approvals, licenses, registrations and permissions for operating our business, some of which may have expired and for which we may have either made or are in the process of making an application for obtaining the approval or its renewal. For more information, see "Licenses and Approvals" on page 154 of the Draft Red Herring Prospectus. Also, we require certain licenses and approvals for our Project which has also been listed out in the section titled "Licenses and Approvals". If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, our business may be adversely affected. If we fail to comply or a regulator claims we have not complied with these conditions, our business, prospects, financial condition and results of operations may be materially adversely affected.

24. *All our present and proposed manufacturing facilities are situated in one geographical area, and thus exposed to any risks/adverse developments affecting that area.*

Our present manufacturing facility is situated at Medchal and the Project is proposed to be situated around Medak district, which are around the same geographical area and consequently, our business operations are vulnerable to damage or interruptions in operations due to adverse weather conditions, earthquakes, fires, explosions, power loss, viruses, transmission cable cuts, civil disturbances or other similar events which may affect these areas. Any failure of our systems or any shutdown of any part of our manufacturing units, networks, operations because of operational disruptions, natural disaster such as flood or earthquake, or other factors, could disrupt our services and result in significant costs and delays in execution of orders. We do not have a diversified base of manufacturing operations, and local disturbances would have a material adverse effect on our business, and consequently on our results of operations and financial condition.

25. *Our success depends largely on our senior management and our ability to attract and retain our key personnel.*

Our success depends on the continued services and performance of the members of our management team and other key employees. If one or more members of our senior management team were unable or unwilling to continue in their present positions, those persons could be difficult to replace and our business could be adversely affected. Attracting and retaining scarce top quality managerial talent has become a serious challenge facing companies in India. Competition for senior management in the industry in which we operate in India is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. As such, any loss of our senior management personnel or key employees could adversely affect our business, results of operations and financial condition.

26. *Our Promoters have significant control over us, including as a result of the terms of our Articles of Association, and have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder.*

As on date of the Draft Red Herring Prospectus, our Promoters, together with the members of the Promoter Group, beneficially own 99.42 % of our issued and outstanding Equity Shares. Our Promoters, together with the members of the Promoter Group and the Group Companies, will hold 64.52 % of our post-Issue paid up capital. The Promoters have the ability to control our business, including matters relating to any sale of all or substantially all of our assets, timing and distribution of dividends, election of our officers and directors and change of control transactions. The Promoters' control could delay, defer or prevent a change in control of the Company, impede a merger, consolidation, takeover or other business combination involving the Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company even if it is in the Company's best interest. The Promoters and members of the Promoter Group may influence the material policies of the Company in a manner that could conflict with the interests of our other shareholders.

27. *We have entered into, and will enter into, related party transactions*

We have entered into transactions with several related parties, including our Promoters and Directors. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. For more information regarding our related party transactions, please refer to the section titled "Related Party Transactions" beginning on page 121 of the Draft Red Herring Prospectus.

28. *The Company's ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures and the terms of its financing arrangements.*

The amount of its future dividend payments, if any, will depend upon the Company's future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will be able to pay dividend in the foreseeable future. Additionally, the Company is restricted by the terms of its debt financing from making dividend payments in the event the Company makes a default in any of the repayment installments.

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

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

30. *Our contingent liabilities could adversely affect our financial condition.*

As of March 31, 2008, we had a networth of Rs 4,687.36 lacs and contingent liabilities of Rs. 2,514.20 lacs. If these contingent liabilities were to materialise, our resources may not be adequate to meet these liabilities or our financial condition could be adversely affected. For further details about our contingent liabilities, refer to the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 143 of the Draft Red Herring Prospectus and the notes to our financial statements.

31. *The objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution.*

The Objects for which the funds are being raised has not been appraised by any bank or financial institution. The estimate of costs is based on quotations received from vendors and management estimates. Though these quotes/ estimates have been taken recently, they are subject to change and may result in cost escalation. The requirement of working capital has been determined based on the Company's estimates inline with the past trends. Any change or cost escalation can significantly increase the cost of the project.

32. *We have not entered into any definitive agreements to utilise a portion of the proceeds of the Issue.*

The deployment of funds as stated in the “Objects of the Issue” beginning on page 24 of the Draft Red Herring Prospectus is entirely at our discretion and is not subject to monitoring by any independent agency. We have not entered into any definitive agreements to utilise a portion of the Issue proceeds. There has been no independent appraisal of the Project. All the figures included under the section titled “Objects of the Issue” beginning on page 24 of the Draft Red Herring Prospectus are based on our own estimates. In the event, for whatsoever reason, we are unable to execute our plans to set up the Project, we could have a significant amount of unallocated net proceeds. In such a situation, we would have broad discretion in allocating these net proceeds from the Issue without any action or approval of our shareholders. Due to the number and variability of factors that we will analyze before we determine how to use these unutilised net proceeds, we presently cannot determine how we would reallocate such proceeds. Accordingly, investors will not have the opportunity to evaluate the economic, financial and other relevant information that will be considered by us in the determination on the application of any such net proceeds in these circumstances.

33. *We do not own the premises where our Registered Office and our branch offices are located.*

At present we do not own the premises that we use as our Registered Office. In the event the owner of the premises revokes the consent granted to our Company or fails to renew the tenancy, we may suffer disruption in our operations. Further, we do not own any of the premises from where we operate our circle offices. If the terms of the lease are violated by us or if we are unable to renew the leases prior to the expiry of the term thereof on terms and conditions favourable to us, we may suffer a disruption in our operations which may adversely affect our operations.

34. *Some of our Group Companies and the partnership firm forming part of our Promoter Group have incurred losses during the last three years.*

Yograj Real Estates Private Limited, Novus Real Estates Private Limited, I-Vantage Apac Private Limited and Agarwal Developers, entities forming part of our Promoter Group, have incurred losses in the recent past. For further details, please refer to the section titled “Our Promoters and Promoter Group” beginning on page 108 of the Draft Red Herring Prospectus.

35. *Our insurance coverage may not adequately protect us against certain operating hazards and this may have an adverse effect on our business.*

Our insurance policies currently consist of a general fire, damage and flood coverage for our Factory. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow could be adversely affected. Moreover, we do not maintain a key man insurance policy for any of our executive directors and our key managerial personnel. For details of our insurance cover, please refer to the section titled “Business Overview” beginning on page 65 of the Draft Red Herring Prospectus.

36. *Additional issuances of equity may dilute the holdings of our shareholders*

Any future issuance of our Equity Shares or securities linked to our Equity Shares may dilute the positions of investors. In addition, we intend to implement an employee stock option scheme, under which additional Equity Shares may be issued to eligible employees subsequent to the listing of the Equity Shares. Any such issuance of Equity Shares may dilute holding of our shareholders.

37. *The Issuer has issued Equity Shares at prices that may be lower than the Issue Price.*

The Issuer has issued Equity Shares during the last 12 months at a price that may be lower than the Issue Price, as disclosed hereinbelow:

Date of Allotment	No. of equity shares allotted	Face Value (Rs.) per Equity Share	Issue Price (Rs.) per Equity Share	Nature of Consideration	Nature of Allotment/ Issuance
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December 22, 2007	1,40,000	10	-	Other than cash	Allotted pursuant to merger BS Integrated Steel Products Private Limited in the ratio of 1:14
March 17, 2008	68,92,600	10	-	Other than cash	Bonus issue in the ratio of 1:1
March 31, 2008	3,49,800	10	275	Cash	Further allotment to the Promoters and others
June 7, 2008	64,250	10	50	Cash	Allotted pursuant to an Employee Stock Purchase Plan

38. *We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy, and the Indian telecommunications and power sector contained in the Draft Red Herring Prospectus.*

Facts and other statistics in the Draft Red Herring Prospectus relating to India, the Indian economy and the Indian telecom sector have been derived from various market data and internet sources that is believed to be reliable. The source of all such data has been given at suitable places. However, the Company cannot guarantee the quality or reliability of such source of materials. While we have taken reasonable care in the reproduction of the information, they have not been prepared or independently verified by the Company or any of its affiliates or advisers and, therefore, the Company makes no representation as to the accuracy of such facts and statistics. These facts and other statistics include the facts and statistics included in the section entitled “Industry Overview” on page 57 of the Draft Red Herring Prospectus.

External Risk Factors

1. *Fluctuations in exchange rates between the Rupee and foreign currencies may have a material adverse effect on our results of operations.*

In future our Company may be exposed to various foreign currencies. The exchange rate between the Rupee and the US Dollar, Singapore Dollar or UAE Dirham has changed substantially in recent years and may fluctuate substantially in the future. We cannot assure investors that we will be able to effectively mitigate the adverse impact of currency fluctuations on the results of our operations. We have not entered into any foreign exchange hedging contracts in relation to these risks.

2. *Instability of economic policies and the political situation in India could adversely affect the fortunes of the industry*

There is no assurance that the liberalization policies of the government will continue in the future. Protests against privatization could slow down the pace of liberalization and deregulation. The Government of India plays an important role by regulating the policies and regulations that govern the private sector. The current economic policies of the government may change at a later date. The pace of economic liberalization could change and specific laws and policies affecting the industry and other policies affecting investments in our Company’s business could change as well. A significant change in India’s economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our Company’s business.

Unstable domestic as well as international political environment could impact the economic performance in the short term as well as the long term. The Government of India has pursued the economic liberalization policies including relaxing restrictions on the private sector over the past several years. The present Government has also announced policies and taken initiatives that support continued economic liberalization.

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our Company’s business, and the market price and liquidity of the Equity Shares, may be affected not only by changes in interest rates, changes in Government policy, taxation, social and civil unrest but also by other political, economic or other developments in or affecting India.

3. *Our business or operation may be disrupted by technical failures, natural disasters or terrorism*

The business of our Company is exposed to technical failures natural disasters such as, explosions, earthquakes, storms and floods as well as terrorist attacks. The occurrence of a technical failure or natural disaster, terrorist attack, or other mishaps could disrupt the operations of the business of our Company and result in loss of revenues and increased costs.

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

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

5. *After this Issue, the price of our Equity Shares may be highly volatile, or an active trading market for our Equity Shares may not develop.*

The price of the Equity Shares on the Indian stock exchanges may fluctuate as a result of the factors, including:

- a. Volatility in the Indian and global securities market;
- b. Company's results of operations and performance;
- c. Performance of Company's competitors,
- d. Adverse media reports on Company or pertaining to the industry in which we operate;
- e. Changes in the estimates of Company's performance or recommendations by financial analysts;
- f. Significant developments in India's economic liberalization and deregulation policies;
- g. Significant developments in India's fiscal and environmental regulations.

Current valuations may not be sustainable in the future and may also not be reflective of future valuations for the industry. There has been no public market for our Equity Shares and the prices of the Equity Shares may fluctuate after this Issue. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue or that the price at which the Equity Shares are initially traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

6. *Future sales of Equity Shares by shareholders or any future equity offerings by us may adversely affect the market price of the Equity Shares.*

If we do not have sufficient internal resources to fund our working capital or capital expenditure needs in the future, we may need to raise funds through further equity offerings. As a purchaser of the Equity Shares, you may experience dilution of your shareholding to the extent that we conduct future equity or convertible equity offerings. Such dilutions can adversely affect the market price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

7. *You will not be able to sell immediately on an Indian stock exchange any of the Equity Shares you purchase in the Issue until the Issue receives appropriate trading approvals*

Our Equity Shares will be listed on the NSE and the BSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors book entry, or demat, accounts with depository participants in India are expected to be credited within two working days of the date on which the basis of allotment is approved by NSE and BSE. Thereafter, upon receipt of final approval from the NSE and the BSE, trading in the Equity Shares is expected to commence within seven working days of the date on which the basis of allotment is approved by the Designated Stock Exchange. We cannot assure you that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above. Any delay in obtaining the approvals would restrict your ability to dispose of your

Equity Shares. In accordance with section 73 of the Companies Act, in the event that the permission of listing the Equity Shares is denied by the Stock Exchanges, the Company is required to refund all monies collected to investors. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

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

Any adverse revisions to India's credit ratings 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 the Equity Shares.

9. *Continuous rise in inflation in India as a result of global slowdown could lead to an increase in our operating costs and hence adversely affect our margins. Further, regulatory actions to rein inflation have led to increase in interest rates, and further increases cannot be ruled out, which again may affect our results of operations.*

The global economy is facing a slowdown as a result of the sub-prime mortgage crisis. This has affected the Indian economy, like almost all other economies across the world, and inflation in India has been recorded above 11% as of June, 2008. The sharp increase in the inflation rate has adversely affected our margins. The increase in inflation has prompted the Reserve Bank of India to implement policies which include increase of interest rates of banks. In the event there is no let up in the global economic slowdown and the obvious consequent regulatory measures to check the affects in India, our results of operations may be severely affected.

Notes to Risk Factors

- Public issue of 76,79,410 Equity Shares for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity Share) aggregating Rs. [●] lacs by the Company. The Issue would constitute 35.10 % of the fully diluted post issue paid-up equity capital of the Company.
- Our Company intends making a Pre-IPO Placement of upto 22,09,744 Equity Shares to certain investors, including investors resident outside India. If the Pre-IPO Placement is completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement, will be reduced from the Issue, subject to a minimum issue size of 25% of the post-Issue share capital.
- The net asset value/book value per Equity Share was Rs. 34.31 as of March 31, 2008, based on the restated financial statements of our Company.
- The average cost of acquisition of the Equity Shares by our Promoters is:

Name of the Promoter	Cost per Equity share (Rs.)
Mr. Rajesh Agrawal	21.93
Mr. Rakesh Agarwal	21.22
Mr. Mukesh Agarwal	20.53

- Except as disclosed in "Capital Structure" on page 15 of the Draft Red Herring Prospectus, we have not issued any shares for consideration other than cash.
- Except as disclosed in "Our Management" and "Our Promoter and Promoter Group" on pages 94 and 108 respectively of the Draft Red Herring Prospectus, none of our Promoters, our Directors and our key management personnel have any interest in our Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, member, partner and/or trustee and to the extent of the benefits arising out of such shareholding.

- Investors may contact the BRLM and the Syndicate Members for any complaints, information or clarifications pertaining to the Issue.
- Investors are advised to refer to “Basis for Issue Price” on page 45 of the Draft Red Herring Prospectus.
- For related party transactions, see the notes to our financial statements in “Related Party Transactions” on page 121 of the Draft Red Herring Prospectus respectively.
- The Issue is being made through the 100% Book Building Process wherein not more than 50% of the Issue shall be available for allocation to Qualified Institutional Buyers on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue would be available for allocation to Non-Institutional Bidders and not less than 35% of the Issue would be available for allocation to Retail Individual Bidders on a proportionate basis, subject to valid bids being received from them at or above the Issue Price.
- Investors may note that in case of over-subscription in the Issue, allotment to Qualified Institutional Investors, Non-Institutional Bidders and Retail Bidders shall be on a proportionate basis. For more information, please refer to the section titled “Issue Procedure” beginning on page 175 of the Draft Red Herring Prospectus.
- The name of our Company was changed to BS TransComm Limited pursuant to a fresh certificate of incorporation consequent upon change of name dated January 24, 2008. The aforesaid change was made in the name to reflect the nature of our business. As required under clause 2.2.1 of the SEBI DIP Guidelines, more than 50% of the revenues have been generated from the activity suggested by our new name in the last full year.
- Resident Retail Individual Investors, Bidding at Cut-Off, may apply through the ASBA Process. For details of the ASBA Process, please refer to the section titled “Issue Procedure” beginning on page 175 of the Draft Red Herring Prospectus.
- Trading in Equity Shares for all investors shall be in dematerialised form only.

SECTION III

SUMMARY OF OUR BUSINESS, STRENGTHS AND STRATEGY

Our Company is engaged in the business of manufacturing and supply of towers to the telecommunication and the power sector in India with a pan India presence in 19 out of the 23 telecom circles. We are headquartered in Hyderabad and have eight circle offices throughout India through which we service customers in 19 telecom circles. In addition, our Company has also started providing turnkey solutions to the telecommunication and power transmission industry. Our Company intends to capitalize on the emerging opportunities in the telecommunications and power transmission sector.

Our tower manufacturing activities include designing and fabrication of telecommunication and power transmission towers. Our Company supplies towers to companies like Reliance Infratel Limited, Vodafone, Idea Cellular Limited, Wireless- TT Info Services Limited, Essar Telecom Infrastructure Limited, Indus Towers Limited, Transmission Corporation of Andhra Pradesh Limited ("APTransco") and Huawei Telecommunications Limited.

As a turnkey solution provider to the telecommunication sector we undertake radio frequency (RF) planning and transmission survey, site identification, acquisition, clearance and design, technology integration, project management and control, equipment procurement, supply and installation and managing services including RF optimizing. Our clients to whom we provide turnkey solutions are Wireless- TT Info Services Limited, Reliance InfoComm Limited and Ericsson India Private Limited.

As a turnkey solutions provider to the power sector, we execute power transmission and sub-station projects on turnkey basis which includes supply of materials, installation, erection and commissioning. The work to be carried out for transmission projects are preliminary survey, route alignment, detail survey, check survey, classification of soil (for type of foundation to be used), construction of foundation, erection of towers, stringing of line, earthing, fixing of accessories, testing and commissioning of line. Presently we are executing projects for APTransco.

Our Company was incorporated in the year 2004 as a private limited company under the name of B.S Steels and Minerals Private Limited with a primary objective of trading in steel products required by tower manufacturers. Our business involved procuring steel products from various rolling mills and steel manufacturers based in Andhra Pradesh and Maharashtra and selling them to various tower manufacturers and other vendors located in and around Andhra Pradesh and Maharashtra. Our Promoters' significant experience of over a decade in the manufacturing of steel products and the concurrent demand for telecommunication and power transmission towers prompted us to diversify into manufacturing and supply of such towers. In 2007, our Promoters set up a 36,000 MTA capacity for manufacturing of telecommunication and power transmission towers in one of our group Company B.S Integrated Steel Products Private Limited at Medchal, Andhra Pradesh.

Pursuant to the scheme of amalgamation approved by Andhra Pradesh High Court, B.S. Integrated Steel Products Private Limited was merged with BS Steels and Minerals Private Limited, with effect from April 1, 2006, being the appointed date. The manufacturing unit at Medchal, Andhra Pradesh was transferred to BS Steels and Minerals Private Limited along with its assets and liabilities. The name of BS Steels and Minerals Private Limited was changed to BS TransComm Private Limited in January 2008.

Our Company secured its first order for manufacture of 878 MTA of telecommunication towers in March 2007 and in the first full year of operations, (FY 2007-08), we manufactured 24,034 MTA of towers with a capacity of 36,000 MTA.

In the fragmented domestic market for passive infrastructure solutions, we believe we differentiate ourselves through our pan India presence by servicing our clients by providing manufacturing and turnkey services across the country. Having demonstrated our ability to service major telecom operators, we believe we are well positioned to capitalize on the growth opportunities in the emerging telecommunication and power industry.

With the roll out plans of telecom companies coupled with the TRAI policy and Universal Service Obligation along with mega power generation capacities being set up, our Company believes that there is a growing demand for telecommunication and power transmission towers. Foreseeing these emerging opportunities in a market which has experienced and which we believe will continue to experience a growing market for towers in the Indian telecommunications and power transmission sector we have now focused our operations on manufacturing and supply of telecommunication and power transmission towers and providing turnkey solutions and planned a capacity expansion to service the growing demand. As on September 15, 2008 our total order book stood at approximately Rs.

8,058 lacs, out of which our order book from manufacturing of telecommunication and power transmission towers was Rs 5,458 lacs and from turnkey service projects was approximately Rs 2,600 lacs.

We have been accredited ISO 9001:2000 in 2007 by JAS-ANZ and ISO 14001:2004 by Quest International in the year 2008 for our Factory.

As of August 31, 2008, we had 309 permanent employees and 485 contract employees. We maintain installation teams, as well as support staff, in 19 telecom circles out of 23 telecom circles defined by the Telecommunications Regulatory Authority of India ("TRAI").

As on March 31, 2008 our total revenue was 42,559.69 lacs out of which our manufacturing revenue was Rs 6,773.97 lacs, turnkey services was Rs 319.50 lacs and trading revenue was Rs. 35,466.62 lacs.

Competitive Strengths

Well positioned in the high-growth Indian telecommunications and power sector

We believe the Indian telecommunications sector and the wireless technology in particular will continue to experience high growth. With government initiatives focused on expanding rural telecom infrastructure, and the need to tap the growing subscriber base has resulted in a huge demand for towers. Also with the telecom sector preparing itself for the 3G technology to enable high speed data transmissions and video conferencing over mobile phones, which will require higher and closer location of telecom sites thereby increases demand for towers.

Further, the GOI has, in each of its successive five year plans, increased targets for addition of power generation capacity and projected addition of 82,500 MW during the eleventh five year plan which necessitates increased investment in power transmission and distribution.

As on September 15 2008, we have firm orders for supply of 8,403 MT of telecommunication and power transmission towers and with our proposed expansion plans we believe we are well positioned to benefit from the significant growth opportunities in the high growth Indian telecommunications and power sectors.

We believe we have established ourselves in supplying towers and providing efficient services to the telecommunication sector which will enable us to effectively exploit the high growth opportunities in India's rapidly expanding wireless telecommunications and the power sectors.

Reputed client base

We believe that we have developed a reputation for timely implementation of orders. Our clientele included leading companies in the Indian wireless industry, such as Vodafone, Essar Telecom Infrastructure Limited, Bharti Infrastructure Limited, Acme Tele Power Limited, India Telecom Infrastructure Limited, Reliance Communications Limited, Wireless- TT Info Services Limited, Idea Cellular Limited, etc.. We believe that our client base and our relationship with telecommunication service operators and infrastructure providers facilitate us with a greater market visibility with goodwill and helps us secure repetitive orders.

Pan India services presence

We have created a strong service network covering 19 telecom circles wherein we provide turnkey services which enhances our delivery model. Our pan India presence enables us to procure repetitive orders and also helps us maintain a cordial relationship with our clients, at their circle offices. The geographical expansion of the telecommunication companies in the rural and semi-urban areas is leading to a constant rise in the demand for towers is leading to an increase in subscriber base, which in-turn is leading to a constant increase in tower demand.

Efficient sourcing of raw material

We are committed to acquiring the best quality raw material at reasonable price. We believe that the experience and relationship of our Promoters in the steel industry enables us to timely source raw material, thus helping us complete our orders within timelines without any cost overruns. Although we have a long relationship with some of our vendors, we are open to quotations from new vendors which ensure that we retain flexibility to take advantage of changes in market conditions for raw materials required by us.

Our integrated business model

We believe our integrated business model positions us as a single point vendor for meeting the telecom operators requirements ranging from identifying and acquisition of sites, the design and manufacture of towers, sourcing and supply of equipment for erection of towers, erection of towers and provision of managing services and passive telecom infrastructure services like erection and painting of towers, civil and electrical works, installation and commissioning of shelter, DG sets and battery banks and enhances our responsiveness to our clients individual requirements. This enhances our ability to procure large orders which essentially involve providing entire range of services with respect to the tower. This serves as a key differentiator vis-à-vis other telecom tower manufacturers.

Experienced management team

Our management team with an established track record and knowledge of the sector in which we serve has enhanced our ability to build relationships with reputed telecom operators within a short span of time. Our management team has significant experience in procuring raw material, manufacturing and marketing of our towers. Our Promoters have over a decade of experience in the steel industry; our senior management has over two decades of experience in telecommunication and power sector. This mix of expertise enables us to procure repetitive orders, source the raw materials and ensure competitive timelines. We provide our staff with competitive compensation packages and a corporate environment that encourages responsibility, autonomy and innovation. This has helped us in recruiting high caliber management and employees. We believe that the experience of our management team and its in-depth understanding of the markets will enable us to continue to take advantage of both current and future market opportunities.

Business Strategy

Our business strategy for achieving our long term objectives involves the following:

Backward Integration

We propose to set up a rolling mill plant with a capacity of 90,000 MTA for the purposes of providing strategic backward integration in order to increase the operational flexibility of our Company. This would enable us to manufacture structural steel, which is used as a raw material for our fabrication plant and thereby making our Company less dependent on suppliers. The plant would provide raw materials in a timely manner which would lower costs and improve operating margins.

Penetration in all telecom circles and other business sectors

As on September 15, 2008, we have an order book of 8,403 MT of telecommunication towers which have to be supplied by October 31, 2008. In order to capture the huge opportunity arising out of the growth in demand of telecommunication towers, we have laid down expansion plans to increase our capacity from the current annual capacity of 36,000 MTA to 2,40,000 MTA in two phases. The Company currently provides services to telecom operators in 19 out of 23 circles in India and immediately intends to start operations in other circles after the expansion. Our Company also intends to foray into sectors such as towers for railway electrification and defense and also windmills.

Foray into international growth markets

In order to increase the market for our towers in the global passive telecommunications and power transmission sector, we plan to commence overseas operations. Our strategy is to focus on markets in undeveloped or developing economies. Our Company is in negotiations to enter into joint ventures with third parties for setting up galvanizing and fabrication units for the manufacturing of telecommunication and power transmission towers in Kenya and Nigeria. We will utilize the experience and expertise gained out of our Indian operations to procure and execute orders from international customers. We will look to develop relationships with overseas agents, who are regional or local providers to telecommunications operators and power transmission companies, to market and distribute our towers to those operators without our having to incur direct international marketing and business development costs.

To position ourselves as a major manufacturer of power transmission towers and turnkey solutions provider

There is a huge gap between demand and supply for power transmission towers in the country. Considering the proposed investment in the power sector as envisaged in the Eleventh Five Year Plan, we intend to capitalize on this opportunity. In cases where we individually do not qualify to bid for project, we bid jointly with third parties and we intend to continue this practice going forward.

To diversify into complimentary passive and active infrastructure for telecommunication tower industry

As part of our strategy to diversify to deliver an efficient service we intend to focus on innovative products to address the existing and latent needs of our customers. Our Company is planning to foray into complimentary services related to passive and active infrastructure for the same we have recently set up a subsidiary by the name of M/s B.S Infratel Limited. This will enable us to provide a complete suite of products and services to our clients.

We also intend to set up a team of specialists to implement services in the active telecommunication infrastructure industry. As regards to passive infrastructure we have started to explore opportunities for providing a range of products including manufacturing and installation of shelters, battery banks. We are also carrying out research and development in the area of power saving solutions for cell sites.

Grow our business through strategic acquisitions and alliances

As a part of our growth strategy, we intend to undertake overseas and domestic corporate acquisitions in the active and passive telecommunication industry. We will evaluate such acquisitions on a case-by-case basis in order to grow our business, expand our product portfolio and enhance our geographical reach.

We are in preliminary stages of negotiations for acquisition of a services company in the telecommunication space. We are also in an advance stage of negotiations for a tie up with an engineering company for technology transfer for manufacturing structured steel products.

To phase out trading operations

We intend to focus on manufacturing of telecommunication and power transmission towers along with providing turnkey solutions and phase out our trading operations gradually. We had carried on this business with the objective of gaining a better understanding of the market and to have a control on our material costs and inventory. Phasing out this activity which has thin trading margins as compared to margins in tower manufacturing and turnkey solutions will help us improve our overall margins.

SUMMARY FINANCIAL INFORMATION

Statement of Assets and Liabilities, as Restated					
The statement of Assets & Liabilities of the Company, as restated as at March 31, 2008, 2007, 2006, 2005 and 2004 is as set out below:					
<i>(Rs. in lacs)</i>					
	As at 31st March				
Particulars	2008	2007	2006	2005	2004
Assets					
A. Fixed Assets					
Gross Block	3062.84	2772.56	14.22	14.16	3.98
Less: Depreciation	403.09	40.50	4.58	1.49	0.26
Net Block	2659.75	2732.06	9.64	12.67	3.72
Less: Revaluation Reserve	0.00	0.00	0.00	0.00	0.00
Net Block after adjustment of Revaluation Reserve	2659.75	2732.06	9.64	12.67	3.72
B. Investments	54.21	0.00	0.00	0.00	0.00
C. Current Assets, Loans & Advances					
Inventories	3663.91	875.66	19.24	3.65	2.07
Sundry Debtors	10914.60	6237.07	2344.90	589.63	365.64
Cash & Bank Balances	202.52	65.41	0.45	0.21	8.68
Loans & Advances	661.35	938.90	288.80	28.64	23.28
Other Current Assets	566.53	115.67	97.18	4.41	1.06
Total Current Assets	16008.91	8232.71	2750.57	626.54	400.73
Deferred Tax Asset	0.00	0.00	0.28	0.00	0.00
Total Assets(A)	18722.87	10964.77	2760.49	639.21	404.45
Liabilities and Provisions					
Secured loans	6258.56	4136.32	605.11	6.56	0.00
Unsecured loans	0.00	0.00	17.45	308.57	114.78
Deferred Tax Liability	48.06	49.53	0.00	0.21	0.06
Total Current Liabilities & Provisions	7728.88	4094.75	1471.79	252.04	285.20
Share Application Money	0.00	1775.64	58.60	62.00	0.00
Share Suspense Account	0.00	14.00	-	-	-
Total Liabilities (B)	14035.50	10070.23	2152.95	629.38	400.04
Networth	4687.36	894.54	607.53	9.83	4.42
Represented by					
1.Share Capital	1413.50	580.00	580.00	1.00	1.00
2.Reserves & Surplus (see Note2)	3273.86	314.53	27.53	8.83	3.42
Less:Revaluation Reserves	-	-	-	-	-
Reserves(Net of Revaluation Reserve)	3273.86	314.53	27.53	8.83	3.42
Networth	4687.36	894.54	607.53	9.83	4.42
1. The above statement should be read with notes on adjustments ANNEXURE to restated financial statements, Significant accounting policies and notes to accounts appearing in Annexure-III A & B					
2. Reserves & Surplus for 2007 excludes Rs.13.00 Lakhs adjustment on amalgamation of BS Integrated Steel Products Private Limited					

Statement of Profit and Loss, As Restated					
The statement of profit and loss of the company as restated for the financial year ended March 31, 2008, 2007, 2006, 2005 and 2004 is as set out below:					
<i>(Rs. in lacs)</i>					
	For the year ended 31 March				
Particulars	2008	2007	2006	2005	2004
Income					
Sales:					
Sale of Manufactured Goods	6,787.87	144.47	-	-	-
Sale of Traded Goods	35,452.32	19,640.92	13,500.63	4,148.66	2,277.53
Turnkey Services	319.50	-	-	-	-
Total	42,559.69	19,785.39	13,500.63	4,148.66	2,277.53
Other Income	330.71	135.70	43.86	20.12	9.59
Increase/(Decrease) in inventories	871.15	183.89	15.62	1.57	2.06
Total Income	43,761.55	20,104.98	13,560.11	4,170.35	2,289.18
Expenditure					
Raw material consumed	38,945.02	19,205.67	13,381.02	4,063.34	2,193.72
Staff Costs	270.99	37.39	14.06	8.40	4.48
Employee Benefit Expenses	7.75	0.23	0.18	0.06	0.04
Other Manufacturing Costs	1,005.86	150.02	85.91	35.03	47.07
Administration & Selling Expenses	272.38	69.30	27.01	43.49	33.32
Miscellaneous Expenditure written off	-	1.81	3.84	0.80	0.34
Interest	771.49	224.11	8.28	9.10	4.10
Depreciation	362.59	35.93	3.09	1.23	0.25
Total Expenditure	41,636.07	19,724.46	13,523.39	4,161.44	2,283.32
Net Profit Before Tax and Extra ordinary items	2,125.48	380.52	36.72	8.92	5.87
Less: Taxation	736.00	70.00	17.50	3.35	2.40
Less: Excess Provision written back-Taxation	-	(26.43)	-	-	-
Less: Provision for Deferred Tax	(1.46)	49.80	(0.48)	0.15	0.05
Less: Provision for Fringe Benefit Tax	2.95	0.90	1.00	-	-
Net Profit after Tax as restated(A)	1,387.99	286.24	18.70	5.42	3.42
Profit brought forward from the last year(B) (see Note 2)	327.53	41.29	8.83	3.42	-
Profit after Tax available for Appropriations (A)+(B)	1,715.51	327.53	27.53	8.83	3.42

Note:

1. The above statement should be read with notes on adjustments ANNEXURE to restated financial statements, Significant accounting policies and notes to accounts appearing in Annexure-III A & B
2. The statement of profit and loss referred above does not include any extra ordinary items.
3. Profit brought forward for 2007 includes Rs.13.76 lakhs adjustment on amalgamation of B.S. Integrated Steel Products Private Ltd.
4. Sales for the year 2004, 2005 & 2006 represents trading activity.

THE ISSUE

Issue in terms of the Draft Red Herring Prospectus	76,79,410 Equity Shares* constituting 35.10 % of our post-Issue paid-up share capital
Of which:	
1. Qualified Institutional Buyers portion	Not more than 38,39,705 Equity Shares of face value of Rs. 10 each, constituting not more than 50% of the Issue shall be available for allocation (allocation on a proportionate basis) of which, 1,91,985 Equity Shares of face value of Rs. 10 each will be available for allocation to Mutual Funds and balance for all QIBs including Mutual Funds.
2. Non Institutional Bidders portion	Not less than 11,51,911 Equity Shares each, constituting not less than 15% of the Issue (Allocation on a proportionate basis)
3. Retail Individual Bidders portion	Not less than 26,87,794 Equity Shares each, constituting not less than 35% of the Issue (Allocation on a proportionate basis)
Equity Shares outstanding prior to the Issue	1,41,99,250 Equity Shares
Equity Shares outstanding after the Issue	2,18,78,660 Equity Shares
For information on the use of the Issue proceeds, please see the section titled “Objects of the Issue” beginning on page 24 of the Draft Red Herring Prospectus.	

**Our Company is considering a Pre-IPO Placement of up to 22,09,744 Equity Shares with certain investors prior to filing of the Red Herring Prospectus with the RoC (“Pre-IPO Placement”). If the Pre-IPO Placement is completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Issue, subject to a minimum Issue size of 25% of the post-Issue paid-up share capital.*

Allocation shall be made on a proportionate basis subject to valid bids received at or above the Issue Price. Under subscription, if any, in any category would be allowed to be met with spill over from any other category at the sole discretion of the Company, in consultation with the Book Running Lead Manager.

GENERAL INFORMATION

We were originally incorporated as B. S. Steels and Minerals Private Limited on January 7, 2004. The name of our Company was changed to BS TransComm Private Limited pursuant to a fresh certificate of incorporation dated January 24, 2008. Our Company was converted into a public limited company and the name of our Company was changed to BS TransComm Limited pursuant to a fresh certificate of incorporation dated February, 7, 2008. For details of incorporation and changes of name, please refer to the section titled “History and Certain Corporate Matters” beginning on page 85 of the Draft Red Herring Prospectus

Registered and Corporate Office of our Company

504, Trendset Towers,
Road 2, Banjara Hills,
Hyderabad – 500 034.
Tel: +91 40 6666 6204
Fax: +91 40 6666 7268
Website: www.bsgroup.com
Registration Number: 42375 of 2003-2004
Corporate Identification Number: U27109AP2004PLC042375.

Address of Registrar of Companies

Our Company is registered with the Registrar of Companies, Hyderabad, situated at the following address:

Registrar of Companies,
2nd Floor, CPWD Building,
Kendriya Sadan,
Sultan Bazar, Koti,
Hyderabad - 500 195,
India.

Board of Directors

The Board of Director comprises of:

Sr. No.	Name	Designation	Directors' Identification Number
1.	Mr. Rajesh Agrawal	Managing Director	00142010
2.	Mr. Rakesh Agarwal	Joint Managing Director	01810818
3.	Mr. Mukesh Agarwal	Whole-Time Director	01914734
4.	Brig. Arun Kumar Sharma	Executive Director	01788404
5.	Mr. Sanjay Baweja	Independent Director	00232126
6.	Mr. Narinder Sharma	Independent Director	00150124
7.	Dr. Subrata Kumar De	Independent Director	01443116
8.	Mr. Suneel Babu Gollapalli	Nominee Director, nominee of IDBI	01652638

For further details of our Directors, see “Our Management” on page 94 of the Draft Red Herring Prospectus.

Company Secretary and Compliance Officer

Mr. Archit Sood
504, Trendset Towers,
Road 2, Banjara Hills,

Hyderabad – 500 034.
Tel: +91 40 6666 6204
Fax: +91 40 6666 7268
E-mail: investors@bsgroup.in

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

Book Running Lead Manager

IL&FS Investsmart Securities Limited

The IL&FS Financial Centre,
Plot C-22, G Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai: 400051, India
Tel: +91 22 2653 3333
Fax: +91 22 2653 3075
Email: bsgroup@investsmartindia.com
Website: www.investsmart.in
Contact Person: Mr. Alok Goyal/ Mr. Nakul Kapoor
Registration No: INM000002475
Investor Grievance E-mail: ibredressal@investsmartindia.com

Legal Counsel to the Issue

Khaitan & Co.
Meher Chambers,
4th and 5th Floor,
R K Marg,
Ballard Estate,
Mumbai 400 038.
Tel: +91 22 6636 5000
Fax: +91 22 6636 5050

Syndicate Members

The Syndicate Members shall be appointed prior to filing of the Red Herring Prospectus with the RoC.

IPO Grading

Our Company has appointed [●] for the purposes of IPO Grading. [●] has assigned a grade of '[●]' to the proposed Issue by the Company. The rationale for the IPO Grading is [●].

Advisor to this Issue

Mr. Pardeep Kumar Aggarwal,
Chartered Accountant,
308, Syndicate House,
3, Old Rohtak Road,
Inderlok,
Delhi – 110 035
Tel: +91 11 2365 9159
Email: pardeep_aggarwal@bsgroup.in

Registrar to the Issue

Karvy Computershare Private Limited
Plot No. 17 to 24,

Vithalrao Nagar,
 Madhapur, Hyderabad 500 086
 Tel: +91 40 23420818
 Fax: +91 40 23431551
 Email: einward.ris@karvy.com
 Website: www.karvy.com
 Contact Person: Mr. M Murali Krishna
 Registration No: INR000000221

Bankers to the Issue and Escrow Collection Banks

[●]	[●]
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The list of SCSBs registered with SEBI is available on the website of SEBI at www.sebi.gov.in.

Bankers to the Company

IDBI Bank Limited	Syndicate Bank Limited
Main Branch Office, 5-9-89/1&2, Chapel Road, Post Box No.370 Hyderabad – 500 001, Andhra Pradesh	R. P. Road, Branch Secunderabad, Andhra Pradesh
Tel.: +91 40 2323 6846	Tel.: +91 40 2770 2266
Fax: +91 40 2323 0613	Fax: +91 40 2780 7755
Email: s.bhaskargopal@idbi.co.in	Email: ap.3018secrproad@syndicatebank.co.in

Auditors of the Company

M. Bhaskara Rao and Co.,
 Chartered Accountants,
 5 D, Fifth Floor, “Kautilya”,
 6-3-652, Somajiguda,
 Hyderabad – 500 082
 Tel: +91 40 2331 1245
 Fax: +91 40 2339 9248
 E-mail: mbr_co@hathway.com

Monitoring Agent

There is no requirement to appoint a Monitoring Agency for the Issue in terms of clause 8.17 of the SEBI DIP Guidelines.

Inter Se Allocation of Responsibilities

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

Sr. No.	Activities	Responsibility and Co-ordinator
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments.	IISL
2.	Drafting and Design of the Draft Red Herring Prospectus and of advertisement / publicity material including newspaper advertisements and brochure / memorandum containing	IISL

	salient features of the Draft Red Herring Prospectus.	
3.	Compliance with the SEBI Guidelines for Disclosure and Investor Protection and other stipulated requirements and completion of prescribed formalities with Stock Exchange, Registrar of Companies and SEBI.	IISL
4.	Marketing of the issue, which will cover, <i>inter alia</i> , formulating marketing strategies, preparation of publicity budget, arrangements for selection of (i) ad-media, (ii) centres of holding conferences of brokers, investors etc. (iii) Banker(s) to the Issue, (iv) collection centres (v) brokers to issue and (vi) underwriters and the underwriting arrangement, distribution of publicity and issue material including application form, prospectus and brochure, and deciding on the quantum of issue material.	IISL
5.	Selection of various agencies connected with issue, namely Registrar to Issue, printers and advertising agencies.	IISL
6.	Follow-up with bankers to the issue to get quick estimates of collection and advising the issuer about closure of the issue, based on the correct figures.	IISL
7.	The post-issue activities will involve essential follow-up steps, which must include finalisation of basis of allotment / weeding out of multiple applications, listing of instruments and despatch of certificates and refunds, with the various agencies connected with the work such as registrars to the issue, Bankers to the Issue, (Self Certified Syndicate Banks) and the bank handling refund business.	IISL

Credit Rating

As this is an Issue of Equity Shares, there is no credit rating for this Issue.

Trustees

As the Issue is of Equity Shares, the appointment of trustees is not required.

Book Building Process

Book building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Issue Price is finalized after the Bid / Issue Closing Date. The principal parties involved in the Book Building Process are:

1. Our Company;
2. The Book Running Lead Manager;
3. The Syndicate Member who is an intermediary registered with SEBI/ registered as brokers with BSE/NSE and eligible to act as Underwriters. The Syndicate Member has been appointed by the Book Running Lead Manager;
4. Registrar to the Issue
5. Self Certified Syndicate Banks, through whom would ASBA Investors subscribe in this Issue; and
6. Escrow Collection Banks.

SEBI, through its guidelines, has permitted the Issue of securities to the public through the 100% Book Building Process, wherein not more than 50% of the Issue shall be allotted on a proportionate basis to QIBs, of which 5% shall be reserved for Mutual Funds. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Our Company will comply with these guidelines for this Issue. In this regard, our Company has appointed the Book Running Lead Manager to procure subscriptions to the Issue.

Our Company is considering a Pre-IPO Placement of upto 22,09,744 Equity Shares. The issue of such Equity Shares, pursuant to the Pre-IPO Placement, if at all, shall be completed prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is successfully completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement, will be reduced from the Issue, subject to a minimum Net Issue size of 25% of the post-Issue paid-up share capital of our Company.

In accordance with the SEBI Guidelines, QIBs are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. For further details, see “Terms of the Issue” on page 172 of the Draft Red Herring Prospectus.

We will comply with the SEBI Guidelines and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed the Book Running Lead Manager to manage the Issue and procure subscriptions to the Issue.

The process of Book Building under the SEBI Guidelines is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

The process of bidding through the ASBA process by ASBA Investors under the SEBI Circular dated July 30, 2008 may be subject to change from time to time which may either be of a clarificatory nature or otherwise and ASBA Investors are advised to make their own judgment about investment through this process prior to submitting a Bid-cum-ASBA Form to a SCSB.

Illustration of Book Building and Price Discovery Process *(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue)*

Bidders can Bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book below shows the demand for the shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. The Issuer, in consultation with the BRLM, will finalise the Issue Price at or below such cut-off price, i.e., at or below Rs. 22. All bids at or above this Issue Price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding

- Check eligibility for making a Bid (for further details, please refer to the section titled “Issue Procedure” on page 175 of the Draft Red Herring Prospectus);
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure that you have mentioned your PAN number in the Bid cum Application Form;
- Ensure that the Bid cum Application Form is duly completed as per instructions given in the Draft Red Herring Prospectus and in the Bid cum Application Form; and
- Bids by QIBs will only have to be submitted to the BRLM.

Underwriting Agreement

After the determination of the Issue Price and allocation of the Equity Shares, but prior to the 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 offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. The Underwriting Agreement is dated [●].

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

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

Name and Address of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. in lacs)
IL&FS Investsmart Securities Limited The IL&FS Financial Centre, Plot C-22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai: 400051, India Tel: +91 22 2653 3333 Fax: +91 22 2653 3075	[●]	[●]
[●]	[●]	[●]

The abovementioned is indicative of the total number of Equity Shares to be underwritten and would be finalized after the pricing and actual allocation.

In the opinion of our Board of Directors (based on a certificate given by the Underwriters), the resources of the above mentioned Underwriters 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 with the Stock Exchange(s). Our Board of Directors / Committee of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Notwithstanding the above table, the BRLM and the Syndicate Member 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 respective Underwriter, in addition to other obligations defined in the underwriting agreement, will also be required to procure/subscribe to Equity Shares to the extent of the defaulted amount.

CAPITAL STRUCTURE

Our share capital as of the date of the Draft Red Herring Prospectus is set forth below:

	Particulars	Nominal Value	Aggregate value at Issue Price
A	Authorised Capital		
	3,00,00,000 Equity Shares of Rs 10 each	30,00,00,000	
B	Issued, Subscribed and Paid Up Capital before the Issue		
	1,41,99,250 Equity Shares of Rs 10 each	14,19,92,500	
C	Present Issue in terms of the Draft Red Herring Prospectus		
	76,79,410 Equity Shares of Rs 10 each	7,67,94,100	[●]
D	Out of which:		
1.	Qualified Institutional Buyers portion – Not more than 38,39,705 Equity Shares shall be available for allocation	3,83,97,050	[●]
2.	Non-Institutional Bidders portion – Not less than 11,51,911 Equity Shares shall be available for allocation	1,15,19,120	[●]
3.	Retail Individual Bidders portion – Not less than 26,87,794 Equity Shares shall be available for allocation	2,68,77,940	[●]
E	Paid Up Equity Capital after the Issue		
	2,18,78,660 Equity Shares of Rs 10 each	21,87,86,600	[●]
F	Share Premium Account		
	Before the Issue	15,97,05,000	
	After the Issue		[●]

* Our Company is considering a Pre-IPO Placement of upto 22,09,744 Equity Shares with some investors ("Pre-IPO Placement"). Our Company will complete the issuance of such Equity Shares prior to the filing of the Red Herring Prospectus with the RoC. The number of Equity Shares in the Issue will be reduced to the extent of the Equity Shares proposed to be allotted in the Pre-IPO Placement, if any, subject to the Issue being atleast 25% of the fully diluted post-Issue paid up equity capital of our Company.

History of change in authorized share capital of our Company

Date of Shareholder's Resolution	Cumulative Number of Equity Shares	Face Value (Rs.)	Increase in number of shares	Authorized Share Capital (Rs.)
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Incorporation of our Company	1,00,000	10	-	10,00,000
March 26, 2005	5,00,000	10	4,00,000	50,00,000
October 01, 2005	10,00,000	10	5,00,000	100,00,000
February 03, 2006	60,00,000	10	50,00,000	600,00,000
April 06, 2007	2,00,00,000	10	140,00,000	20,00,00,000
May 20, 2008	3,00,00,000	10	1,00,00,000	30,00,00,000

Notes to Capital Structure

Share Capital History of our Company

1. Equity Share Capital history of our Company

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid up Capital (Rs.)	Cumulative Share Premium (Rs.)
Incorporation of our Company	10,000	10	10	Cash	Allotment to the initial subscribers to the Memorandum	10,000	1,00,000	-
November 2, 2005	9,90,000	10	10	Cash	Further allotment to Promoters and others	10,00,000	1,00,00,000	-
March 3, 2006	48,00,000	10	10	Cash	Further allotment to Promoters and others	58,00,000	5,80,00,000	-
April 10, 2007	9,52,600	10	150	Cash	Further allotment to Promoters and others	67,52,600	6,75,26,000	13,33,64,000
December 22, 2007	1,40,000	10	-	Consideration other than cash	Allotted pursuant to merger of BS Integrated Steel Products Private Limited with our Company in the ratio of 1:14	68,92,600	6,89,26,000	13,33,64,000
March 17, 2008	68,92,600	10	-	Consideration other than cash	Bonus issue in the ratio of 1:1	1,37,85,200	13,78,52,000	6,44,38,000
March 31, 2008	3,49,800	10	275	Cash	Further allotment to the Promoters and others	1,41,35,000	14,13,50,000	15,71,35,000
June 7, 2008	64,250	10	50	Cash	Allotment pursuant to an Employee Stock Purchase Plan	1,41,99,250	14,19,92,500	15,97,05,000
Total						1,41,99,250	14,19,92,500	15,97,05,000

Except for the allotment of shares pursuant to the merger of our Company with BS Integrated Steel Products Private Limited with our Company and the bonus issue of Equity Shares to the shareholders dated March 17, 2008, as referred to hereinabove, the Company has not issued any shares for consideration other than cash.

2. Promoters Contribution and Lock-in

A. History of Equity Shares held by the Promoters

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

Sr. No.	Date of Allotment/ Transfer	Allotment/ Transfer	Nature of consideration	No. of Equity Shares	Face Value	Issue/Acquisition Price (Rs.)
Mr. Rajesh Agrawal						

Sr. No.	Date of Allotment/ Transfer	Allotment/ Transfer	Nature of consideration	No. of Equity Shares	Face Value	Issue/Acquisition Price (Rs.)
1.	November 2, 2005	Allotment	Cash	4,25,000	10	10
2.	March 3, 2006	Allotment	Cash	10,00,000	10	10
3.	January 18, 2007	Transfer	Cash	5,15,000	10	10
4.	April 10, 2007	Allotment	Cash	4,56,500	10	150
5.	December 22, 2007	Allotment	Consideration other than cash	70,000	10	-
6.	March 17, 2008	Bonus Issue	Consideration other than cash	24,66,500	10	-
7.	March 31, 2008	Allotment	Cash	77,400	10	275
	Total			50,10,400		
Mr. Rakesh Agarwal						
1.	January 7, 2004	First subscribers to the Memorandum	Cash	5,000	10	10
2.	November 2, 2005	Allotment	Cash	85,000	10	10
3.	March 3, 2006	Allotment	Cash	12,00,000	10	10
4.	January 18, 2007	Transfer	Cash	4,05,000	10	10
5.	April 7, 2007	Transfer	Cash	55,000	10	10
6.	April 10, 2007	Allotment	Cash	2,38,100	10	150
7.	December 22, 2007	Allotment	Consideration other than cash	35,000	10	-
8.	March 17, 2008	Bonus Issue	Consideration other than cash	20,23,100	10	-
9.	March 31, 2008	Allotment	Cash	1,27,200	10	275
	Total			41,73,400		
Mr. Mukesh Agarwal						
1.	January 7, 2004	First subscribers to the Memorandum	Cash	5,000	10	10
2.	November 2, 2005	Allotment	Cash	35,000	10	10
3.	March 3, 2006	Allotment	Cash	12,00,000	10	10
4.	January 18, 2007	Transfer	Cash	4,05,000	10	10
5.	April 7, 2007	Transfer	Cash	2,00,000	10	10
6.	April 10, 2007	Allotment	Cash	2,39,000	10	150
7.	December 22, 2007	Allotment	Consideration other than cash	35,000	10	-
8.	March 17, 2008	Bonus Issue	Consideration other than cash	21,19,000	10	-
9.	March 31, 2008	Allotment	Cash	1,27,200	10	275
	Total			43,65,200		
	Total Promoter holding			1,35,49,000		

B. *Details of Promoters contribution locked in for three years*

All Equity Shares which are being locked-in are eligible for computation of promoters' contribution under Clause 4.6 of the SEBI Guidelines.

Pursuant to the SEBI Guidelines, an aggregate of 20% of the fully diluted post-Issue capital of the Company held by the Promoters shall be locked in for a period of three years from the date of Allotment of Equity Shares in the Issue.

The details of such lock-in are set forth in the table below:

Sr. No.	Date of Allotment/Transfer	Nature of consideration	No. of Equity Shares locked in*	Face Value	Issue/Acquisition Price (Rs.)	Percentage of Post-Issue Paid-up Capital (%)
Mr. Rajesh Agrawal						
1.	March 17, 2008	Consideration other than cash	16,42,412	10	Issued by way of bonus issue made out of capitalisation of the share premium account	7.51
Mr. Rakesh Agarwal						
2.	March 17, 2008	Consideration other than cash	13,68,042	10	Issued by way of bonus issue made out of capitalisation of the share premium account	6.25
Mr. Mukesh Agarwal						
3.	March 17, 2008	Consideration other than cash	14,30,915	10	Issued by way of bonus issue made out of capitalisation of the share premium account	6.54
Total			44,41,369			20.30

* Our Company has obtained a consent dated September 26, 2008 from our Promoters for the locking in of the said 44,41,368 Equity Shares.

C. Details of share capital locked in for one year

In terms of Clause 4.14.1 of the SEBI Guidelines, in addition to 20% of the post-Issue shareholding of the Company held by the Promoters and locked in for three years as specified above, the entire pre-Issue share capital of the Company, that is 97,57,881 Equity Shares, will be locked in for a period of one year from the date of Allotment in this Issue.

D. Other Requirements in respect of lock-in

In terms of Clause 4.15.1 of the SEBI Guidelines, locked-in Equity Shares of our Company held by the Promoters can be pledged with banks or financial institutions as collateral security for loans granted by such banks or financial institutions provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan. For further details, please refer to page 150 of the Draft Red Herring Prospectus. Further, the Equity Shares constituting 20% of the fully diluted post-Issue capital of the Company held by the Promoters that are locked in for a period of three years from the date of Allotment of Equity Shares in the Issue, may be pledged only if, in addition to complying with the aforesaid conditions, the loan has been granted by the banks or financial institutions for the purpose of financing one or more objects of the Issue.

In terms of Clause 4.16.1(a) of the SEBI Guidelines, the Equity Shares held by persons other than the Promoter prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Clause 4.14 of the SEBI Guidelines, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable. Further, in terms of Clause 4.16.1(b) of the SEBI Guidelines, Equity Shares held by the Promoter may be transferred to and among the Promoter Group or to a new promoter or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

In addition, the Equity Shares subject to lock-in will be transferable subject to compliance with the SEBI Guidelines, as amended from time to time.

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

3. Shareholders of our Company

The table below presents our shareholding pattern before the proposed Issue and as adjusted for the Issue:

(Equity Shares of face value Rs.10 each)

Name of the shareholders	Pre-issue equity capital		Post-issue equity capital	
	Number of Equity Shares	Percentage (%)	Number of Equity Shares	Percentage (%)
A. Promoters				
Mr. Rajesh Agrawal	50,10,400	35.29	50,10,400	22.90
Mr. Rakesh Agarwal	41,73,400	29.39	41,73,400	19.08
Mr. Mukesh Agarwal	43,65,200	30.74	43,65,200	19.95
Sub Total (A)	1,35,49,000	95.42	1,35,49,000	61.93
B. Promoter Group				
Mrs. Shakuntala Devi Agarwal	2,87,000	2.02	2,87,000	1.31
Mrs. Reema Agarwal	1,37,800	0.97	1,37,800	0.63
Mrs. Rakhee Agarwal	1,13,800	0.80	1,13,800	0.52
Mrs. Shalini Agarwal	26,600	0.19	26,600	0.12

Mr. Dhruv Bansal, through his legal guardian Mr. Rajesh Agrawal	2,800	0.02	2,800	0.01
Sub Total (B)	5,68,000	4.00	5,68,000	2.60
Total Promoters and Promoter Group holding (A+B)	1,41,17,000	99.42	1,41,16,000	64.52
C. Non-Promoters*				
Employees*	27,250	0.19	27,250	0.13
Others*	55,000	0.39	55,000	0.25
Sub-Total (C)	82,250	0.58	82,250	0.38
Equity Shares offered through the present Issue			76,79,410	35.10
Total	1,41,99,250	100.00	2,18,78,660	100.00

* The post-Issue paid up shareholding in respect of the employees and shareholders other than our Promoters/ Promoter Group shall undergo a change in the event that they are subscribed for and are allotted Equity Shares in the Issue.

4. Equity Shares held by top ten shareholders

E. On, and ten days prior to, the date of filing the Draft Red Herring Prospectus with SEBI:

S. No.	Shareholder	No. of Equity Shares held	Percentage (%)
1.	Mr. Rajesh Agrawal	50,10,400	35.29
2.	Mr. Mukesh Agarwal	43,65,200	30.74
3.	Mr. Rakesh Agarwal	41,73,400	29.39
4.	Mrs. Shakuntala Devi Agarwal	2,87,000	2.02
5.	Mrs. Reema Agarwal	1,37,800	0.97
6.	Mrs. Rakhee Agarwal	1,13,800	0.80
7.	Mrs. Shalini Agarwal	26,600	0.19
8.	Mr. Pradeep Agarwal	20,000	0.14
9.	Mr. Sunil Ananda Rao	9,000	0.06
9.	Mr. Satyam Ananda Rao	9,000	0.06
	Total	1,41,52,200	99.64

F. Two years prior to the date of filing the Draft Red Herring Prospectus with SEBI:

S. No.	Shareholder	No. of Equity Shares held	Percentage (%)
1.	Mr. Rajesh Agrawal	14,25,000	24.57
2.	Mr. Rakesh Agarwal	12,90,000	22.24
3.	Mr. Mukesh Agarwal	12,40,000	21.38
4.	Ms. R. Manju Bai	2,00,000	3.45
5.	Ms. R. Devi Singh	2,00,000	3.45
5.	Mr. R. Suresh Singh	2,00,000	3.45
5.	Mr. R. Ranjith Singh	2,00,000	3.45
5.	Mr. R. Santosh Singh	2,00,000	3.45
5.	Mr. R. Sadabhiraj	2,00,000	3.45
5.	Mr. Kanti Kumar Agarwal	2,00,000	3.45
	Total	53,55,000	92.33

5. Neither we nor our directors or the Promoters, or respective Directors of our Promoter Group companies or the BRLM have entered into any buyback and/or standby arrangements for the purchase of our Equity Shares from any person.

6. On May 20, 2008, our shareholders approved the BS TransComm Employee Stock Option Plan (“**BSTL ESOP**”), effective as of May 20, 2008. For the purposes of the BSTL ESOP, eligible employees would include individuals who are in whole time employment of the Company, including Directors, whether whole time or not, as are determined by the Remuneration and Compensation Committee under the BSTL ESOP. However, an employee who is a Promoter or belongs to the Promoter Group shall not be eligible to participate in the BSTL ESOP. A Director who either by himself or through his relative or through any body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company shall not be eligible to participate in the BSTL ESOP. The BSTL ESOP may be extended to the employees of the Company's holding company and Subsidiaries, if any, subject to the necessary compliances.

The number of Equity Shares in the share capital of the Company that may arise on a cumulative basis upon exercise shall not exceed 3,00,000 (three lacs) Equity Shares of the Company.

The Remuneration and Compensation Committee has been authorised to and shall determine at its absolute discretion all the terms governing the BSTL ESOP including any variation thereof in accordance with the SEBI ESOP Guidelines, including but not limited to the determination of the Eligible Employees to whom the Options are to be granted, the number of Options to be granted to the Eligible Employees – the quantum, time of grant and the criteria and eligibility for the Grant of Options, the number of tranches in which the Options are to be granted and the number of Options to be granted in each such tranche, the amount of up-front price payable, if any/ payable by the Eligible Employee at the time of grant of options, the terms and conditions for vesting and exercise of options including the exercise of option on termination and resignation by Eligible Employee and the treatment of unvested options, the conditions under which vested option in Eligible Employees may lapse in case of termination of employment for misconduct, the Exercise Period and conditions for lapse of vested option, the right of an Eligible Employee to exercise all the Vested Options in him/her at one time or at various points of time within the Exercise Period, any adjustments of Options and exercise price in case of corporate actions including, rights issues, bonus issues, merger and so on, the procedure and terms for the vested options and exercise of Employee Stock Option in case of Employees who are on long leave, framing of all other relevant and appropriate procedures for the grant, vesting and exercise of options and ensuring compliance with all the relevant provisions of applicable laws, regulations and guidelines, , arranging to get the Equity Shares, issued under the BSTL ESOP, listed in the Stock Exchanges on which the equity shares of the Company are already listed or may be listed in future and ensuring submission of information / reports, etc., in connection with the BSTL ESOP, to the Stock Exchanges at stipulated periodical intervals or otherwise.

Upon listing, the Exercise Price shall be calculated as per the suggested methods of valuations, or option pricing models, as per SEBI (ESOP) Guidelines.

As of date of the Draft Red Herring Prospectus, the Company has not granted any Option under the BSTL ESOP.

7. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearer multiple of minimum allotment lot while finalizing the allotment, subject to minimum allotment being equal to [●] Equity Shares, which is the minimum Bid size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue as a result of which the post-Issue paid up capital after the Issue would also increase by the excess amount of allotments so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased so as to ensure that 20% of the post-Issue paid up capital is locked-in.
8. In the case of over-subscription in all categories, not more than 50% of the Issue shall be available for allocation on a proportionate basis to QIBs, of which 5% shall be reserved for Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion of the QIB Portion will also be eligible for allocation in the remaining QIB Portion. Undersubscription, if any, in the Mutual Funds portion will be met by a spillover from the QIB Portion and be allotted proportionately to the QIB Bidders. Further, not less than 15% of Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.
9. Under-subscription, if any, in any category, would be met with spill over from any other categories or combination of categories at the discretion of the Company in consultation with the Book Running Lead Manager.

10. Subject to 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 submission of the Draft Red Herring Prospectus with SEBI until the Equity Shares to be issued pursuant to the Issue have been listed.
11. There shall be only one denomination of the equity shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
12. We have not raised any bridge loans against the proceeds of the issue.
13. We have not issued any equity shares for consideration other than cash except the following:

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Nature of Allotment
December 22, 2007	1,40,000	10	Issued pursuant to the Scheme Of Amalgamation of B.S. Integrated Steels Product Private Limited with our Company in the ratio 1:14
March 17, 2008	68,92,600	10	Bonus issue of Equity Shares to the existing shareholders of the Company in the ratio of 1:1

14. There are no outstanding warrants, financial instruments or any rights, which would entitle the promoters or the shareholders or any other person any option to acquire any of the equity shares.
15. The securities offered through this Issue shall be made fully paid-up or may be forfeited within 12 months from the date of allotment of the securities in the manner specified in clause 8.6.2 of the SEBI (DIP) Guidelines.
16. Subject to the Pre-IPO Placement, we presently do not intend or propose to alter our capital structure for a period of six months from the Bid/Issue opening date by way of split or consolidation of the denomination of Equity Shares or further issue of equity (including issue of securities convertible into or exchangeable for, directly or indirectly, for Equity Shares) whether preferential or otherwise. However, during such period or at a later date, we may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture by us or as consideration for such acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by our Board to be in our best interests.
17. Except as disclosed in the section titled “Our Management” beginning on page 94 of the Draft Red Herring Prospectus, none of our directors or key managerial personnel holds any of the equity shares.
18. Our Promoters, Mr. Rajesh Agrawal, Mr. Rakesh Agarwal and Mr. Mukesh Agarwal have pledged 30% of the total Promoter holding to IDBI Bank Limited. The Promoters may pledge their equity shares with banks or financial institutions as additional security for loans whenever availed by them from banks or financial institutions. For further details, please refer to the section titled “Financial Indebtedness” beginning on page 150 of the Draft Red Herring Prospectus.
19. Our Company has not revalued its fixed assets since incorporation.
20. As of date of the Draft Red Herring Prospectus, other than 68,92,600 Equity Shares issued as bonus to the existing shareholders of our Company, we has not made any bonus issue of Equity Shares.
21. Our Promoters and members of the Promoter Group will not participate in the Issue.
22. There are restrictive covenants in the agreements that we have entered into with banks for short-term loans and long-term borrowings. These restrictive covenants in many cases provide for borrowers covenants which are restrictive in nature and require us to obtain their prior permission.

23. As per the RBI regulations, OCBs are not allowed to participate in this Issue.
24. As on the date of the Draft Red Herring Prospectus, the total number of holders of Equity Shares is 35.
25. For details of the shareholders of the Company who hold more than 10% of the paid-up pre-Issue capital of the Company, please refer to the note titled “Equity Shares held by 10 top shareholders” referred to hereinabove.

OBJECTS OF THE ISSUE

The objects of the Issue are as follows:

Our Company proposes to increase its telecommunication and power transmission tower manufacturing capacity from current 36,000 MTA to 2,40,000 MTA and set up a rolling mill plant having an installed capacity of 90,000 MTA under two phases at Majidpally Village, Medak, Andhra Pradesh as per the details given below.

1. Setting up of manufacturing facilities of telecommunication and power transmission towers under Phase I and Phase II at Majidpally Village, Medak, Andhra Pradesh having an installed capacity of 84,000 MTA and 120,000 MTA respectively.
2. Setting up rolling mill plant at Majidpally Village, Medak, Andhra Pradesh under Phase I having an installed capacity of 90,000 MTA.
3. To part finance margin money for working capital
4. To fund general corporate purposes
5. To meet expenses of this issue
6. To get the equity shares of the Company listed on BSE and NSE

The fund requirements and the intended use of Net Proceeds are based on management estimates, our current business plan and have not been appraised by any bank or financial institution.

In view of the competitive and dynamic nature of the telecommunication and power transmission industry, we may have to revise our expenditure and fund requirements as a result of variations in the cost structure, changes in estimates and external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirements and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our management. In addition, the estimated dates of completion of various projects as described herein are based on management's current expectations and are subject to change due to various factors as described above, some of which may not be in our control.

Cost of the Project

The expenditure envisaged for the proposed project is as under:

(Rs. in lacs)

Sr. No.	Particulars	Phase I	Phase II	Total
1	Land	224.00	384.60	608.60
2	Site Development	1,303.17	1,133.98	2,437.14
3	Building and Foundations	2,252.35	2,234.19	4,486.54
4	Plant and Machinery	5,443.70	5,577.32	11,021.02
5	Miscellaneous Fixed Assets and other expenditure	308.18	348.01	656.19
6	Working Capital Margin	1,375.45	4,085.90	5,461.35
7	General Corporate Purpose	[•]	[•]	[•]
8	Issue Expenses	[•]	[•]	[•]
	Total	[•]	[•]	[•]

The main object clause of our MoA and the objects incidental and ancillary to the main objects enables us to undertake our existing activities as well as activities for which the funds are being raised by us in the Issue.

Means of finance

The above requirement of funds of Rs. [•] lacs is proposed to be financed through:

(Rs. in lacs)

Particulars	Phase I	Phase II	Total
Equity / Owned Funds			
Issue Proceeds	[•]	[•]	[•]
Promoters Equity	961.95	Nil	961.95
Internal Accruals	[•]	[•]	[•]
Total	[•]	[•]	[•]
Borrowed Funds			
Term Loan	4,700.00	Nil	4,700.00
Total			4,700.00
Grand Total (A+B)	[•]	[•]	[•]

Details of use of Issue Proceeds

The Company proposes to increase its telecommunication and power transmission tower manufacturing capacity from current 36,000 MTA to 2,40,000 MTA and set up a rolling mill plant having an installed capacity of 90,000 MTA under two Phases at Majidpally Village, Medak, Andhra Pradesh.

Land

We require 80 acres of land for the expansion of our projects out of which we have purchased land measuring 68.5 acres at the cost of Rs 5.60 lacs per acres in Majidpally Village, Medak, Andhra Pradesh from the Andhra Pradesh Industrial Infrastructure Corporation Limited vide sale deed dated June 04, 2008 for a total consideration of Rs. 383.60 lacs for setting up of Phase I and Phase II. We have identified the remaining 11.5 acres of this land and are under negotiations to acquire the remaining land. We estimate the cost of this land to be Rs 225 lacs.

Under Phase I we have allocated 25 acres of land to set up our manufacturing facility for telecommunication and power transmission towers having capacity of 84,000 MTA and on 15 acres we intend to set up the rolling mill plant having capacity of 90,000 MTA. The cost of land for Phase I is Rs. 224 lacs.

Under Phase II we require 40 acres of land for setting up our manufacturing facility for telecommunication and power transmission towers having capacity of 1,20,000 MTA. Out of the 40 acres we have acquired 28.5 acres, and have identified the remaining 11.5 acres of land and are under negotiations for acquiring the same. The cost of 28.5 acres of land is Rs 159.60 lacs.

Phase I

Under Phase I our Company plans to undertake setting up a manufacturing unit of telecommunication and power transmission towers of 84,000 MTA at Majidpally Village, Medak, Andhra Pradesh to enhance the current capacity from 36,000 MTA to 120,000 MTA and to set up a rolling mill plant having an installed capacity of 90,000 MTA.

The cost of funds required under Phase I is as follows:

(Rs in lacs)

Particulars	For 84,000 MT Tower facility	For 90,000 MT Rolling Mill	Total Amount
Land	140.00	84.00	224.00
Site development	1,062.16	241.00	1,303.17
Building and foundation	1,596.26	656.08	2,252.35
Plant and Machinery	3,975.69	1,468.01	5,443.70
Miscellaneous fixed assets	308.18		308.18
Working capital margin	1,375.45		1,375.45
Total			10,906.85

Setting up of manufacturing facility for expansion of telecommunication and power transmission towers at Majidpally Village, Medak, Andhra Pradesh

We propose to set up a manufacturing facility for telecommunication and power transmission towers on 25 acres of land at Majidpally Village, Medak, Andhra Pradesh. Our new plant will be at a distance of approximately 10 kms from our existing facility at Athevelly Village, Medchal, R.R. District, Andhra Pradesh. The estimated cost for setting up this facility is detailed below:

Site development

The company proposes to utilize 25 acres of land for setting up its 84,000 MTA capacity of telecommunication and power transmission towers. We have awarded the contract for site development, building and foundation to various parties and have appointed M/s Sanghi Engineers as Project Management and Technical Consultants. The estimated cost of the site development is Rs. 1,062.16 lacs.

The break up of expenses of land and site development is as follows:

(Rs. in lacs)

S. No.	Particulars	Amount
1.	Land (25 Acres)	140.00
	(A)	140.00
2.	Site Development	
	Site Cleaning	5.00
	Site Leveling and Filling	190.40
	Boundary Wall	118.00
	RCC Road 9M	254.75
	Under Ground Sump	30.00
	Elevated Service Reservoir 100 KLS	25.00
	Septic Tank, Soak Pits and storm water drain	59.02
	Raw Material Yard	160.00
	Finished Goods Yard	160.00
	Proto Assembly Yard	60.00
	(B)	1,062.16
	Total (A+B)	1,202.16

Building and foundation

The total cost to be incurred on construction of factory building for telecommunication and power transmission towers is estimated to be Rs. 1,596.26 lacs. The following is the break up of the estimated cost:

(Rs. in lacs)

S.No.	Particulars	Value of work order
1.	Fabrication Shed	788.40
2.	Galvanizing Shed	390.00
3.	Admin. Block	80.00
4.	Weigh Bridge	6.00
5.	Time Office	9.00
6.	Transformer, Meter	16.00
7.	Toilet Block	26.40
8.	Canteen – 2 No.	37.40
9.	Security Office	7.50
10.	Labour Quarters	142.56
11.	Toilet for Labour Quarters	18.00
12.	Mechanical Foundations	75.00
	Total	1,596.26

Plant and Machinery

The details of the plant and machinery and other related equipments is detailed in the following table:

(Rs. in lacs)

S.No.	Particulars	Amount
1	Fabrication Section	1,653.13
2	Materials Yard	394.92
3	Maintenance Shop	48.59
4	Galvanizing	1,279.61
5	Quality Control and Testing Lab Machinery	17.85
6	Electrical	581.59
	Total	3,975.69

Following is the list of plant and machinery for which orders have been placed

(Rs in lacs)

S.No	Description	Price	Date of order placed	Supplier Name
	Electrical			
1	3000 KVA transformer	21.25	May 15, 2008	Kirloskar Elect. Co
	Fabrication			
1	Universal Mechanical	164.08	July 14, 2008	Deep Industrial Corporation

2	Shaper	21.46	July 14, 2008	Deep Industrial Corporation
3	Band saw Machine	23.87	July 14, 2008	Deep Industrial Corporation
4	EOT Crane	177.44	August 14, 2008	Grip Engineering Private Limited
5	Power Press	96.49	August 29, 2008	Sapan Deep Enterprises
	Galvanizing Unit			
1	EOT Crane	122.54	August 14, 2008	Grip Engineering Private Limited
	Mainetnance Shop			
1	Lathe & Shaping (Surface Grinder)	21.90	July 31, 2008	Simplex Machines (India)
2	Lathe & Planner	19.48	September 1, 2008	Simplex Machines (India)
3	Hand Grinder Electri Motor 10 HP,5 HP Make "Crompton Greaves"	0.94	September 16, 2008	Sabitha Engineering Corporation
	Total	669.45		

We propose to take the delivery of the plant and machinery in October 2008 after the expected completion of site development.

The following is the list of plant and machinery for which orders are yet to be placed and the quotations received for the same are given below:

Fabrication Section:

(Rs in lacs)

Sl. No	Description	Qty	Quoted Price (Total)	Date of Quote	Supplier Name
1	CNC Machine164T	1	153.55	May 14, 2008	Pradman Engineering Agencies Private Limited.
2	CNC Machine	2	277.48	May 14, 2008	Pradman Engineering Agencies Private Limited.
3	Hydraulic Pillar type	14	122.03	May 14, 2008	Zeedoneil Engineering Stores
4	Notching Press	6	84.01	May 16, 2008	Classic Automotive Industries
5	Radial Drilling	10	98.18	May 16, 2008	Energy Machine Tools
6	CNC Drilling	1	136.45	May 14, 2008	Pradman Engineering Agencies Private Limited.
7	Hydraulic Press Pillar	4	76.07	May 21, 2008	Hydroelectric Machinery
8	Oil Fired Furnace	4	16.40	May 22, 2008	HRK Engineers
9	Plate Shearing Press	3	72.68	May 20, 2008	Welder Engg. Private Limited
10	Hydraulic C type Press	5	64.31	May 17, 2008	ISTCO Engg. Works
11	Jib Crane	4	17.08	May 22, 2008	ShivPra Cranes Private Limited.
12	Welding Sets	10	11.44	May 14, 2008	Zeedoneil Engineering Stores

13	Compressor	2	13.50	May 20, 2008	First Consolidated Engineers Private Limited
14	Profile Cutter	2	3.99	May 14, 2008	Ambizat Trader Syndicate
15	Pug Cutter/Gas cutter	10	12.59	May 14, 2008	Ambizat Trader Syndicate
16	Hand Grinders	10	10.03	May 14, 2008	Ambizat Trader Syndicate
	Total		1,169.79		

Material Yard

(Rs in lacs)

Sl. No	Description	Qty	Quoted Price (Total)	Date of Quote	Supplier Name
1	Angle Straightening Machine	2	86.38	May 20, 2008	Design Fabrication
2	Goliath Crane	3	297.72	May 18, 2008	Saico Cranes Private Limited
3	Packing Machines	4	10.82	May 14, 2008	Ambizat Traders Syndicate
	Total		394.92		

Maintenance Shop

(Rs in lacs)

Sl. No	Description	Qty	Quoted Price (Total)	Date of Quote	Supplier Name
1	Hand Grinder	1	1.07	May 14, 2008	Ambizat Traders Syndicate
2	Drilling Machine	1	5.20	May 14, 2008	Ambizat Traders Syndicate
	Total		6.27		

Galvanizing Unit

(Rs in lacs)

Sl. No	Description	Qty	Quoted Price (Total)	Date of Quote	Supplier Name
1	Degreasing Tank	2	19.27	May 16, 2008	Fibro Plastics
2	Pickling Tank	8	98.81	May 21, 2008	Arvind Anticor Limited
3	Rinsing Tank	4	38.54	May 16, 2008	Fibro Plastics
4	Fluxing Tank	2	19.27	May 16, 2008	Fibro Plastics
5	Galvanizing Bath size: 8mx1mx2m	2	124.26	May 22, 2008	Prtrochem Engg. (Walsail) Limited.
6	Drier / Chimney	2	84.00	May 17, 2008	HRK Engineers
7	Galvanizing Furnace with Heating Temp. Control Systems	2	228.95	May 17, 2008	Usha Engineering Works
8	Galvanizing Bath size: 3mx1mx1.2m Galvanizing Furnace for above	1	39.98	May 17, 2008	Usha Engineering Works
9	Galvanizing Furnace	1	40.50	May 22, 2008	HRK Engineers
10	Drier/Chimney	1	42.00	May 22, 2008	HRK Engineers
11	Quenching Tank	2	15.27	May 16, 2008	Fibro Plastics
12	Dichromate tank	2	15.27	May 16, 2008	Fibro Plastics
13	Acid Storage Tank	4	27.40	May 16, 2008	Fibro Plastics
14	Oil Storage Tank	4	32.60	May 22, 2008	HRK Engineers

15	Air Blower	3	1.80	May 22, 2008	HRK Engineers
16	Oil Heating Pump	3	2.96	May 22, 2008	HRK Engineers
17	Oil Pump	2	0.42	May 22, 2008	HRK Engineers
18	Acid Pump	2	1.43	May 16, 2008	Fibro Plasticss
19	Temperature Recorders	3	7.56	May 22, 2008	HRK Engineers
20	EOT Cranes and parts	1	89.03	May 18, 2008	Saico Cranes Private Limited
21	Monorail Hoist	1	12.60	May 22, 2008	Shiv Pran Crane Private Limited
22	Acid fumes extraction	4	184.76	May 21, 2008	Arvind Anticor Limited
23	Effluent Treatment Plant	1	30.39	May 21, 2008	Sun Enviro Technologies
	Total		1,157.07		

Quality Control and Lab Testing Machinery

(Rs in lacs)

Sl. No	Description	Qty	Quoted Price (Total)	Date of Quote	Supplier Name
1	Universal Testing Machine	1	9.42	May 18, 2008	Blue Star Limited
2	Impact Testing Machine	1	1.02	May 21, 2008	Fine Testing Machines
3	Galvanizing coating measurement gauges	10	3.10	May 22, 2008	HRK Engineers
4	Carbon Sulphur apparatus	1	1.53	May 19, 2008	Crescent Trading Co.
5	Physical Balance	2	0.52	May 19, 2008	Crescent Trading Co.
6	Laboratory glassware		1.22	May 19, 2008	Crescent Trading Co.
7	Hardness Tester	1	1.04	May 21, 2008	Fine Testing Machines
	Total		17.85		

Electricals

(Rs in lacs)

Sl. No	Description	Qty	Quoted Price (Total)	Date of Quote	Supplier Name
1	Generator	2	55.04	May 15, 2008	Devi Power Systems
2	Electrical substation	1	6.00	May 15, 2008	Satyanarayana Electrical Works
3	Electrical Pannels	12	165.00	May 15, 2008	Satyanarayana Electrical Works
4	Electrical cables / yard / office / factory lightings		334.30	May 15, 2008	Satyanarayana Electrical Works
	Total		560.34		

Setting up of manufacturing facility for rolling mill plant at Majidpally Village, Medak, Andhra Pradesh

We also propose setting up a rolling mill plant as backward integration project in Phase I. We intend to utilize 15 acres of land for setting up the rolling mill plant having capacity of 90,000 MTA. The estimated cost for setting up this unit is detailed below:

Site development

We have awarded the contract for site development, building and foundation to various parties and have appointed M/s Sanghi Engineers as Project Management and Technical Consultants. The estimated cost of the site development is Rs. 241.00 lacs.

The break up of expenses on Land and site development is as follows:

(Rs. in lacs)

S. No.	Particulars	Amount
1.	Land (15 Acres)	84.00
	(A)	84.00
2.	Site Development (B)	
	Under Ground Sump	36.00
	Septic Tank, Soak	5.00
	Raw Material Yard	100.00
	Finished Goods Yard	100.00
	(B)	241.00
	Total (A+B)	325.00

Buildings and Foundations

The total cost to be incurred on construction of factory building and foundation for rolling mill plant is estimated to be Rs. 656.08 lacs. The following work orders are yet to be placed for this purpose:

(Rs. in lacs)

Sl. No.	Particulars	Value of Work Order
1.	Rolling Mill Shed	443.84
2.	Electric Room and Stores	32.00
3.	Toilet Block	17.60
4.	Security	6.00
5.	Time Office	0.90
6.	Admin. Block	38.72
7.	Pulpit Room L.S	8.00
8.	Pump Room	1.50
9.	Mill Foundation, Furnace Foundation, Chimney, Auxiliary Foundation, Oil Storage, etc.	107.52
	Total	656.08

Plant and Machinery

The details of the plant and machinery and other related equipments is detailed in the following table:

(Rs. in lacs)

S.No.	Particulars	Amount
1	Equipments	1,182.66
2	Electrical	285.35
	Total	1,468.01

Following is the list of plant and machinery for which orders have been placed

(Rs. in lacs)

S.No	Description	Price	Date of order placed	Supplier Name
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	Equipment			
1	Rolling Mill duty Motor 750/1000 (KW /HP)	59.61	May 13, 2008	Kirloskar Elect. Co
2	Rolling Mill duty Motor 1500/2000 (KW /HP)	26.93	May 13, 2008	Kirloskar Elect. Co
3	Roughing Mill Complex	109.00	May 15, 2008	C.S Forgings (P) Limited
4	Roughing Mill Complex (Adamite rolls and rings)	86.61	May 24, 2008	Kisco Castings
5	Re-Heating Furnance 25tons Capacity	58.78	May 16, 2008	Fuel Save System Devices
6	Furnace charging roller table	7.21	June 14, 2008	Kuldip Engg. Works
7	Structural Rolling Mill	471.43	May 30, 2008	G.P. Roll Makers
8	EOT Crane(10 tons)	17.96	August 14, 2008	Grip Engineering Private Limited
9	EOT Crane (5 tons)	29.61	August 14, 2008	Grip Engineering Private Limited
	Electricals			
1	3000 KVA transformer	21.25	May 13, 2008	KirloskarElect. Co
2	HT Breaker	18.54	July 25, 2008	KirloskarElect. Co
3	Cables, Earthing pit, Lightening arresters etc	22.00	September 1, 2008	Satya Narayana Electrcal Works
4	Switch Gear & Control Gear,	30.73	June 16, 2008	Vidhi Electricals & Engg
5	4 core x 2.5 mm2 Copper cable	1.36	August 19, 2008	Vidhi Electricals & Engg
	3 1/2 core x 120 mmsq aluminum cable	1.90	August 14, 2008	Vidhi Electricals & Engg
	Total	962.92		

We propose to take the delivery of the plant and machinery in November 2008 after the expected completion of site development.

The following is the list of plant and machinery for which orders are yet to be placed and the quotations received for the same are given below:

Equipments

(Rs. in lacs)

Sl. No	Description	Quoted Price (Total)	Date of Quote	Supplier Name
1	Re-Heating Furnace 25 Tons capacity	56.38	May 18, 2008	Fuel Save Systems and Devices
2	Furnace discharge Roller Table01	3.76	May 15, 2008	Abmizat Trader Syndicate
3	Mill Working Roller Table	12.91	May 15, 2008	Abmizat Trader Syndicate
4	Lifting Roller table	10.25	May 15, 2008	Abmizat Trader Syndicate
5	Extension Roller Table	5.3	May 15, 2008	Abmizat Trader Syndicate
6	WorkingR/Tfor18"1stgr.	12.33	May 15, 2008	Abmizat Trader Syndicate
7	R/Tbetween1 st and 2 nd Gr. Intermediate2 nd	2.22	May 14, 2008	Zeedoneil Engg. Stores
8	WorkingR/TFor18"2ndgr.Int.1stand3 rd	2.18	May 14, 2008	Zeedoneil Engg. Stores

9	Skew Roller table	4.84	May 15, 2008	Abmizat Trader Syndicate
10	Working R/T/for finishingm.	12.60	May 15, 2008	Abmizat Trader Syndicate
11	Conveyor Roller tablet cooling bed	15.18	May 15, 2008	Orien Engineers Equipment
12	ChaintransferarrangementforInt.Mill1 st	6.19	May 14, 2008	Zeedoneil Engg. Stores
13	Hot Saw	17.76	May 15, 2008	Andhra Hardware Mart
14	Mobile Crane	10.25	May 14, 2008	Zeedoneil Engg. Stores
15	Workshop Machineries	17.82	May 20, 2008	Newmax Traders (Regd.)
16	Tools for Workshop	1.90	May 20, 2008	Newmax Traders (Regd.)
17	Measuring Instruments	1.60	May 15, 2008	Andhra Hardware Mart
18	Welding Transformers, Gas cutting sets etc.	3.49	May 15, 2008	M.B. Enterprises
19	Cooling Water Pumps	1.52	May 21, 2008	Sabitha Engg. Corporation
20	V Belt for Mill	0.77	May 15, 2008	Andhra Hardware Mart
21	Structurally Fabricated	42.86	May 15, 2008	Orien Engineers Equipment
22	Run in and Run Out R/T	18.11	May 15, 2008	Orien Engineers Equipment
23	Chain transfer arrangement for Cooling bed	7.21	May 14, 2008	Zeedoneil Engg. Stores
24	Rop Skid Arrangements	4.90	May 15, 2008	Orien Engineers Equipment
25	Straightening machine	43.19	May 20, 2008	Design Fabrication
Total		315.52		

Electricals

The following is the list of electricals for which orders are yet to be placed:

(Rs. in lacs)

Sl. No	Description	Quoted Price (Total)	Date of Quote	Supplier Name
1	Electrical Substation etc.	8.91	May 15, 2008	Satyanarayana Electrical Works
2	Electrical Panels PDB and 8nos MCC and Control Pulpit (1lot)	29.76	May 15, 2008	Satyanarayana Electrical Works
3	Rotor Resistance Starter	6.80	May 15, 2008	Satyanarayana Electrical Works
4	Electrical Motors	50.53	May 15, 2008	Satyanarayana Electrical Works
5	Bus Ducts	6.80	May 15, 2008	Satyanarayana Electrical Works
6	Cables, Earthing pit, Lightening arresters etc.	10.12	May 15, 2008	Satyanarayana Electrical Works
7	Factory Lighting, E.O.T. Crane Panels, 60tons Road weigh bridges, Laboratory	20.15	May 15, 2008	Satyanarayana Electrical Works
8	Fire Fighting Equipment, Electricity	56.5	May 15, 2008	Satyanarayana Electrical

	Deposits, General Expenditure			Works
	Total	189.57		

Apart from the mentioned above the management estimates the following expenses to be incurred on miscellaneous assets and other expenditures

The vehicles, fork lifts, trucks, furniture and fixtures, electronic weight bridge, architect fees etc. form part of the miscellaneous assets. The architect fees has been estimated at 2% of the total site development and building and foundation expenses. The total miscellaneous assets and other expenditure are expected to cost Rs. 308.18 lacs in the Phase I of expansion.

The following is the break up of miscellaneous assets and other expenditures

(Rs. in lacs)

S.No.	Particulars	Amount	Supplier Name
1.	Architect and PMC Fees for Tower Manufacturing Plant	46.70	Management Estimates
2.	Architect and PMC Fees for Rolling Plant	16.48	Management Estimates
3.	Vehicles – car, truck, forklift, etc	115.00	Management Estimates
4.	Furniture and Fixtures, Electronic weigh bridge,	100.00	Management Estimates
5.	Electronic weigh bridge	30.00	Management Estimates
	Total	308.18	

Phase II

Under Phase II our Company plans to undertake setting up another manufacturing facility of telecommunication and power transmission towers having a capacity of 1,20,000 MTA to enhance the Phase I capacity from 1,20,000 MTA to 2,40,000 MTA.

The cost of funds required under Phase II is as follows:

(Rs in lacs)

Particulars	Amount
Land	384.60
Site development	1,133.98
Building and foundation	2,234.19
Plant and Machinery	5,577.33
Miscellaneous fixed assets	348.01
Working capital margin	4,085.90
Total	13,764.01

Setting up of manufacturing facility for expansion of telecommunication and power transmission towers at Majidpally Village, Medak, Andhra Pradesh.

We propose to set up a manufacturing facility for expansion of telecommunication and power transmission towers from 1,20,000 MTA to 2,40,000 MTA for which we require 40 acres of land out of we have already acquired 28.5 acres of land at Majidpally Village, Medak, Andhra Pradesh. We have identified the remaining 11.5 acres of this land and are under negotiations to acquire this land. We estimate the cost of this land to be Rs 225 lacs. The cost estimate for setting up this unit is detailed below:

Land and Site development

The company proposes to utilize this land for setting up its 1,20,000 MTA capacity of telecommunication and power transmission towers. We have received quotations from M/s Sanghi Engineers (Project Management and Technical Consultants) for construction of site development, building and foundations. The estimated cost of the same is Rs 1,133.98 lacs.

The following table shows the break up of land and site development expenses.

(Rs. in lacs)

S.No.	Particulars	Amount
1.	Land	
	28.50 acres at Majidpally village	159.6
	Estimated cost for acquiring 11.5 acres	225.00
	(A)	384.60
2.	Site Development	
	Site Leveling and Filling	10.00
	Boundary Wall	80.50
	RCC Road	348.98
	Underground Sump and Storm Water Drain	129.50
	Elevated Service	25.00
	Raw Material Yard	240.00
	Finished Goods Yard	240.00
	Proto – Assembly Yard	60.00
	(B)	1133.98
	Total style="text-align: right;"> (A+B)	1518.58

Building and Foundations

The total cost to be incurred on construction of factory building for telecommunication and power transmission towers is estimated to be Rs. 2,234.19 lacs.

The following table shows the total cost of construction of buildings: -

(Rs. in lacs)

S.No.	Particulars	Value of order
1.	Fabrication Shed	1,134.00
2.	Galvanizing Shed	589.50
3.	Admin. Block	80.00
4.	Weigh Bridge	6.00
5.	Time Office	9.00
6.	Transformer, Meter	16.00
7.	Toilet Block	44.00
8.	Canteen – 2 no.	37.40
9.	Security Office	7.50
10.	Labour Quarters	142.79

11.	Toilets for Labour	18.00
12.	ETP/ Oil Storage/Acid Tank/Drainage System/Machine Foundations and Chimney, etc.	150.00
	Total	2,234.19

Plant and Machinery

The details of the plant and machinery and other related equipments is detailed in the following table:

(Rs. in lacs)

S. No.	Particulars	Amount
1	Fabrication Section	2,034.62
2	Materials Yard	494.17
3	Maintenance Shop	36.00
4	Galvanizing	2207.61
5	Quality Control and Testing Lab Machinery	17.85
6	Electricals	787.07
	Total	5,577.32

The following is the list of plant and machinery for which orders are yet to be placed and the quotations received for the same are given below:

Fabrication section

(Rs in lacs)

Sl.No	Description	Qty	Amount (Total)	Date of Quote	Supplier Name
1	CNC Machine 164T	1	153.55	May 14, 2008	Pradman Engineering Agencies Private Limited
2	CNC Machine	1	138.74	May 14, 2008	Pradman Engineering Agencies Private Limited
3	Universal Mechanical	10	193.82	May 20, 2008	Navabharat Engineering
4	Hydraulic Pillar type	14	112.40	May 14, 2008	Zeedoneil Engineering Stores
5	Shaper	8	36.20	May 14, 2008	Ambizat Trader Syndicate
6	Band Saw Machine	2	25.03	May 19, 2008	ITL Industries Limited
7	Notching Press	7	98.01	May 16, 2008	Classic Automotive Industries
8	Radial Drilling	15	147.26	May 16, 2008	Energy Machine Tools
9	CNC Drilling	1	136.45	May 14, 2008	Pradman Engineering Agencies Private Limited.
10	Hydraulic Press Pillar	6	114.11	May 21, 2008	Hydro electric Machinery
11	Oil Fired Furnace	6	24.60	May 22, 2008	HRK Engineers
12	Plate Shearing Press	4	96.46	May 20, 2008	Welder Engg. Private Limited
13	Hydraulic C type Press	10	128.62	May 17, 2008	ISTCO Engg. Works
14	Power Press	38	199.58	May 21, 2008	Lewis Machines
15	EOT Cranes	10	352.62	May 18, 2008	Saico Cranes Private Limited
16	Jib Crane	6	25.62	May 22, 2008	Shiv Pra Cranes Private Limited.
17	Welding Sets	10	11.44	May 14, 2008	Zeedoneil Engineering Stores
18	Compressor	2	13.50	May 20, 2008	First Consolidated Engineers Private Limited

19	Profile Cutter	2	3.99	May 14, 2008	Ambizat Trader Syndicate
20	Pug Cutter / Gas cutter	10	12.59	May 14, 2008	Ambizat Trader Syndicate
21	Hand Grinders	10	10.03	May 14, 2008	Ambizat Trader Syndicate
	Total		2,034.62		

Materials yard

(Rs in lacs)

Sl. No	Description	Qty	Amount (Total)	Date of Quote	Supplier Name
1	Angle Straightening Machine	2	86.38	May 20, 2008	Design Fabrication
2	Goliath Crane	4	396.97	May 18, 2008	Saico Cranes Private Limited
3	Packing Machines	4	10.82	May 14, 2008	Ambizat Trader Syndicate
	Total		494.17		

Maintenance shop

(Rs in lacs)

Sl. No	Description	Qty	Amount (Total)	Date of Quote	Supplier Name
1	Lathe	2	9.73	May 14, 2008	Ambizat Trader Syndicate
2	Surface Grinder	2	19.07	May 14, 2008	Ambizat Trader Syndicate
3	Hand Grinder	2	2.01	May 14, 2008	Ambizat Trader Syndicate
4	Drilling Machine	1	5.20	May 14, 2008	Ambizat Trader Syndicate
	Total		36.00		

Galvanizing

(Rs in lacs)

Sl. No	Description	Qty	Amount (Total)	Date of Quote	Supplier Name
1	Degreasing Tank	4	38.54	May 16, 2008	Fibro Plastics
2	Pickling Tank	16	197.62	May 21, 2008	Arvind Anticor Limited
3	Rinsing Tank	8	77.09	May 16, 2008	Fibro Plastics
4	Fluxing Tank	4	38.54	May 16, 2008	Fibro Plastics
5	Galvanizing Bath size: 8m x 1m x 2.2 m	4	122.00	May 22, 2008	HRK Engineers
6	Galvanizing Furnace with Heating Temp. Control Systems	4	457.91	May 22, 2008	Usha Engineering Works
7	Drier / Chimney	4	168.00	May 17, 2008	HRK Engineers
8	Flux Heating Coil / Pump	4	85.20	May 22, 2008	HRK Engineers
9	Quenching Tank	4	30.53	May 16, 2008	Fibro Plastics
10	Dichromate tank	4	30.53	May 16, 2008	Fibro Plastics
11	Acid Storage Tank	8	54.79	May 16, 2008	Fibro Plastics
12	Oil Storage Tank	8	65.20	May 22, 2008	HRK Engineers
13	Air Blower	4	2.40	May 22, 2008	HRK Engineers
14	Oil Heating Pump	4	3.95	May 22, 2008	HRK Engineers
15	Oil Pump	4	0.84	May 22, 2008	HRK Engineers
16	Acid Pump	4	2.85	May 16, 2008	Fibro Plastics
17	Temperature Recorders	4	10.08	May 22, 2008	HRK Engineers

18	EOT Cranes	10	352.62	May 18, 2008	Saico Cranes Private Limited
19	Transfer Trolleys	6	69.00	May 22, 2008	Shiv Pra Cranes Private Limited.
20	Acid fumes extraction	8	369.52	May 21, 2008	Arvind Anticor Limited
21	Effluent Treatment Plant	1	30.39	May 21, 2008	Sun Enviro Technologies
	Total		2,207.61		

Quality control and testing lab machinery

(Rs in lacs)

Sl. No	Description	Qty	Amount (Total)	Date of Quote	Supplier Name
1	Universal Testing Machine	1	9.42	May 18, 2008	Blue Star Limited
2	Impact Testing Machine	1	1.02	May 21, 2008	Fine Testing Machines
3	Galvanizing coating measurement gauges	10	3.10	May 22, 2008	HRK Engineers
4	Carbon Sulphur apparatus	1	1.53	May 19, 2008	Crescent Trading Co.
5	Physical Balance	2	0.52	May 19, 2008	Crescent Trading Co.
6	Laboratory glassware	1	1.22	May 19, 2008	Crescent Trading Co.
7	Hardness Tester	1	1.04	May 21, 2008	Fine Testing Machines
	Total		17.85		

Electricals

(Rs in lacs)

Sl.No	Description	Qty	Amount (Total)	Date of Quote	Supplier Name
1	Generator	3	82.56	May 15, 2008	Devi Power Systems
2	Transformer 1000KVA	1	27.50	May 15, 2008	Satyanarayana Electrical Works
3	Electrical substation	1	8.95	May 15, 2008	Satyanarayana Electrical Works
4	Electrical Pannels	12	110.50	May 15, 2008	Satyanarayana Electrical Works
5	Electrical cables / yard / office / factory lightings	1	557.56	May 15, 2008	Satyanarayana Electrical Works
	Total		787.07		

We have not bought and we do not intend to buy and second – hand machinery for the Project.

Apart from the expenses mentioned, the management estimates the following expenses to be incurred on miscellaneous assets and other expenditures

The vehicles, fork lifts, trucks, furniture and fixtures, electronic weight bridge, architect fees etc. form part of the miscellaneous assets. The architect fees have been estimated at 2% of the total site development and building and foundation expenses. The total miscellaneous assets and other expenditure are expected to cost Rs. 348.01 lacs in Phase II of expansion are as follows:

(Rs in lacs)

S.No.	Particulars	Amount
1.	Architect and PMC Fees	63.01
2.	Vehicles – car, truck, forklift, etc	130.00

3.	Furniture and Fixtures	125.00
4.	Electronic weigh bridge	30.00
	Total	348.01

Orders for plant and machinery

The total estimated cost of the plant and machinery required for Phase I is Rs. Rs. 5443.70 lacs.

Our Company has placed orders for plant and machinery of value Rs. 1,632.37 lacs, which is 30% of the total plant and machinery required in Phase I.

We have not placed any orders for the plant and machinery required for Phase II.

Incremental margin money for working capital

The incremental margin money for working capital requirement for our existing and proposed new manufacturing capacity has been estimated at Rs. 5,461.35 lacs. The details of the same are as under:

We currently avail of a fund based working capital facility of Rs. 1,500.00 lacs from IDBI Bank and Rs. 3,000.00 lacs from Syndicate Bank. We have also received a sanction for a fund based working capital facility of Rs. 1,500 lacs and non fund based working capital facility of Rs. 1,500 lacs from Punjab National Bank which would be disbursed to our Company on commencement of the Phase I.

The working capital requirement has been calculated on the basis of additional working capital required over the next one year. Inventories of raw material and finished goods and sundry debtors on days outstanding have been taken at various levels, which is in consonance with the industry practice and past trends. The break-up of the same is given below:

	(Rs. in lacs)		
Particulars	FY 2008	FY 2009	FY 2010
	Audited	Projected	Projected
Raw Material and Work in Process	2,608.90	1,661.95	4,702.72
Finished Goods	1055.04	2,173.41	6,370.91
Total Inventories	3,663.94	3835.36	11,073.63
Sundry Receivables	10,914.60	10,418.88	23,218.61
Advance and Deposits	1,227.88	1,206.09	4,661.89
Total Receivables	12,142.47	11,624.97	27,880.5
Total Current Assets	15,806.41	15,460.33	38,954.13
Less: Creditors	6,667.91	1,454.31	1,504.21
Other Current Liabilities	1,068.55	520.73	1,121.01
Total Current Liabilities	7,736.47	1975.03	2,625.22
Net working capital requirement	8,069.95	13,485.29	36,328.91
Bank Borrowing	4,449.08	8,488.97	27,246.68
Margin Money	3,620.87	4,996.32	9,082.23
Incremental margin money		1,375.45	4,085.90
Total Incremental Margin Money required	5,461.35		

The above working capital estimates are based on the following assumptions

Particulars	Period in days
Raw Material and Work in Process – Inventory	42

Finished Goods – Inventory	33
Sundry Receivables	90
Sundry Creditors	14

Working Capital requirement

The working capital margin requirement is expected to be Rs. 5,461.35 lacs for the entire expansion project. The expansion in capacity would be 84000 MTA in Phase I and 120000 MTA in Phase II. The total additional working capital requirement has been proportionately allocated between the two Phases on the basis of the expansion in capacity. Therefore, additional working capital requirement is estimated to be Rs. 1,375.45 lacs for Phase I and Rs. 4,085.90 lacs for Phase II.

General Corporate purposes

We, in accordance with the policies set up by our Board, will have flexibility in applying the remaining Net Proceeds of this Issue, for general corporate purposes towards strategic initiatives and acquisitions, strengthening our marketing capabilities, other project related investments and repayment of loans.

Issue Expenses

Issue related expenses includes underwriting and issue management fees, selling commission, distribution expenses, legal fees, printing and stationery costs, advertising expenses and listing fees payable to the Stock Exchanges etc. The total expenses for the Issue are estimated at Rs. [●] lacs, which is [●] % of the Issue size. All the Issue related expenses shall be met out of the proceeds of this Issue. The break-up of the same is as follows:

(Rs. in lacs)			
Particulars	Expenses *	As a % of the Issue size	As a % of the total issue expenses
Management fees, underwriting commission and brokerage	[●]	[●]	[●]
Marketing and advertisement expenses	[●]	[●]	[●]
Stationary, printing and registrar expenses	[●]	[●]	[●]
Others (Registrar's fees, legal fee, IPO Grading fee etc.)	[●]	[●]	[●]
Total	[●]	[●]	[●]

* Will be incorporated after finalizing the issue price

No part of the Issue proceeds will be paid by us as consideration to our Promoters, Directors, key management personnel or companies promoted by our Promoters except in the course of normal business.

Means of Financing

Our Company's expansion project in Phase I and II is proposed to be funded through an appropriate mix of debt, equity and internal accruals with a total cost of [●].

Phase I

The details of means of finance for Phase I are as follows:

(Rs. in lacs)

Particulars	Phase I
Equity / Owned Funds	
Issue Proceeds	[•]
Funds raised through issue of Equity Shares	961.95
Internal Accruals	[•]
Total	[•]
Borrowed Funds	
Term Loan	4,700.00
Total	[•]
Grand Total (A+B)	[•]

Issue Proceeds

We propose to raise Rs. [•] lacs through this Issue at a price of Rs. [•] in terms of the Draft Red Herring Prospectus.

Funds raised through issue of Equity Shares

Our Company has raised Rs. 961.95 lacs through the issue of 3,49,800 Equity Shares of Rs. 10 each at premium of Rs. 265 per share to the Promoters and others on March 31, 2008. For further details about the issue of shares, please refer to the section titled “Capital Structure” beginning on page 15 of the Draft Red Herring Prospectus.

Internal Accruals

Our Company intends to deploy Rs. [•] lacs on the Project through internal accruals. The exact amount that will be spent out of internal accruals and shall be finalized only after the Issue proceeds are received by our Company. Our company has generated internal accruals of Rs 1,750.58 lacs as on March 31, 2008.

Term Loan

Our requirement for the term loan for the phase I is Rs. 4,700.00 lacs out of which we have received the sanction of Rs. 3,200.00 lacs from Punjab National Bank Limited vide sanction letter dated September 27, 2008. We are in the process of tying up the balance Rs. 1,500.00 lacs.

No.	Terms and Conditions	Term Loan of Rs. 3,200 lacs
1	Rate of Interest	BPLR (-) 1 % (+) .50 % i.e., presently 13.50 %
2	Security	<u>Primary:</u> 1. First Mortgage and Charge on all the Fixed Assets, both present and future of the company situated at survey No. 82,83,92 -95, & 107, Athivelly village, Medchal Mandal, Ranga Reddy District. 2. First Mortgage and Charge on all the Fixed Assets both present and future of the proposed New Plant to be situated at Survey No. 41, Majidpally village, Toopran Mandal, Medak District. <u>Collaterals:</u> 1. Second Paripassu charge on the entire Current Assets including the Inventories, Receivables, spares, consumables and other current assets of the Company both present and future, lying in the company's Godowns, Factories, Stores and also in Transit and wherever lying and accruing to the Company.

		2. Pledge of Shares: 30% pledge of the Promoters shares in favour of the Term Lenders to be created on pari passu basis, presently pledged to IDBI.
3	Guarantor	Personal guarantee of Rajesh Agarwal, Rakesh Agarwal, Mukesh Agarwal and M/s. I Vantage India Pvt. Ltd.
4	Tenor and Repayment	20 Equated Quarterly Installments of Rs.160.00 lacs commencing from 01.04.09 The scheduled completion of the project is estimated by January 2009 and a Moratorium of Three Months is permitted. The interest shall be serviced at monthly rests
5	Insurance	All the project assets shall be insured comprehensively at company's cost. All assets charged to the bank should be adequately insured against prescribed risk with bank clause.
6	Other Conditions	All other general terms and conditions of advance stipulated by bank remain applicable

Phase II

The details of means of financing of Phase II are as follows:

(Rs. in lacs)

Particulars	Phase II
Equity / Owned Funds	
Proceeds of IPO	[•]
Grand Total	[•]

Proceeds of the Initial Public Issue

The Company proposes to utilize the balance proceeds from the IPO towards setting up of manufacturing facility in Phase II.

In the event of a shortfall in raising the requisite funds from the proceeds of the fresh Issue, towards meeting the objects of the fresh Issue, the extent of the shortfall will be met by internal accruals. In case of any surplus of monies received in relation to the fresh issue, we may use such surplus towards further expansion and general corporate purposes. In case of variations in the actual utilization of funds earmarked for the purposes mentioned above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this fresh Issue.

We operate in a highly competitive, dynamic market condition, and may have to revise our estimates from time to time. We may also reallocate expenditure depending on our requirements. Consequently, our fund requirements may also change accordingly. Any such change in our plans may require rescheduling of our expenditure programs, at the discretion of our management, and such rescheduling, if any, shall be within the objects of the Issue. In case of any shortfall, we intend to meet the same from our internal accruals.

We confirm that the firm arrangement of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through the proposed public issue, has been made.

Sources and Deployment of the funds

Our statutory auditors, M/s. M. Bhaskara Rao and Co, Chartered Accountants have vide their certificates dated September 22, 2008 certified that our Company has spent Rs. 1,799.29 Lacs up to September 20, 2008. The details of the amount spent are as follows:

(Rs. in Lacs)

Particulars	Amount
Land	383.77
Site Development	123.99
Building (Advance to contractors/suppliers)	533.28
Plant, equipment and machinery	656.05

Miscellaneous Fixed Assets	5.91
Pre-operative expenses	73.42
Public Issue Expenses	22.87
Total	1,799.29
Sources of Funds	
Internal accruals and Promoters Contribution	1,799.29

Details of balance fund deployment

The details of half yearly break-up of the expenditure proposed to be incurred on the proposed projects are as under:
(Rs. in Lacs)

Particulars	Half Year ended Sep 2008	Half Year ended March 2009	Half Year ended Sep 2009	Total
Land	383.77	224.83	-	608.60
Site Development	160.86	1,822.68	453.59	2,437.14
Building and Foundations	678.56	2,802.59	1,005.39	4,486.54
Plant and Machinery	780.97	5,220.46	5,019.59	11,021.02
Total	2,004.15	10,070.57	6,478.56	18,553.30
Misc Assets & Others	11.16	297.02	348.01	656.19
Total	2,015.31	10,367.59	6,826.57	19,209.49

Schedule of implementation

a) The schedule of implementation for the telecommunication and power transmission towers of 84,000 MTA at Majidpally Village, Medak, Hyderabad project is as follows:

Activity	Start	Finish
Land	-	June 2008
Building and Foundation	June 2008	October 2008
Installation of Plant and Machinery	October 2008	Mid-December 2008
Trial Run	December 2008	End-December 2008
Commercial Production	January 2009	-

- b) The schedule of implementation for the rolling mill plant of 90,000 MTA at Majidpally Village, Medak, Hyderabad project is as follows:

Activity	Start	Finish
Land	-	June 2008
Building and Foundation	July 2008	November 2008
Installation of Plant and Machinery	November 2008	January 2009
Trial Run	February 2009	February 2009
Commercial Production	February 2009	-

- c) The schedule of implementation for the telecommunication and power transmission towers of 1,20,000 MTA at Majidpally Village, Medak, Hyderabad project is as follows:

Activity	Start	Finish
Land	June 2008	October 2008
Building and Foundation	February 2009	April 2009
Installation of Plant and Machinery	April 2009	June 2009
Trial Run	June 2009	June 2009
Commercial Production	July 2009	-

Interim use of funds

Pending use of funds as described above, we intend to temporarily invest the proceeds of the Issue in high quality, interest/dividend bearing short-term liquid instruments including deposits with banks for the necessary duration or for reducing overdraft to save interest costs. These investments would be authorized by our Board or a duly authorized committee thereof. We may also use the same to fund our existing working capital requirement on a temporary basis.

Appraisal Report

None of the projects for which the Net Proceeds will be utilized have been financially appraised by any banks, financial institutions or agency and the estimates of the costs of the projects mentioned above are based on the internal estimates of the Company or the relevant Subsidiary, as applicable.

Monitoring of utilization of funds

Our Board will monitor the utilization of the issue proceeds. We will disclose the utilization of the proceeds of the Issue under a separate head in our Balance Sheet clearly specifying the purpose for which such proceeds have been utilized. We will also, in our Balance Sheet provide details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

No part of the Issue proceeds will be paid by us as consideration to our Promoters, Directors, key management personnel or companies promoted by our Promoters except in the course of normal business.

BASIS OF ISSUE PRICE

The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager on the basis of assessment of market demand for the equity shares offered by way of book building. The face value of the Equity Shares is Rs. 10/- and the Floor Price is [●] times the face value and the Cap Price is [●] times the face value.

Investors should read the following summary with the Risk Factors included on page xi of the Draft Red Herring Prospectus and the details about our Company and its financial statements included in the Draft Red Herring Prospectus on page 123. The trading price of the equity shares of our Company could decline due to these risks and you may lose all or part of your investment.

Qualitative Factors

- Well positioned in the high-growth Indian telecommunications and power sector
- Reputed client base
- Pan India services presence
- Efficient sourcing of raw material
- Our integrated business model
- Experienced management team

For details, please refer to the section titled “Business Overview” on page 65 of the Draft Red Herring Prospectus.

Quantitative Factors

Information presented in this section is derived from the Company’s restated, financial statements prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Diluted Earnings Per Share (EPS)

Year	EPS (Rs.)	Weight
2005-06	0.26	1
2006-07	1.22	2
2007-08	10.16	3
Weighted average	5.53	

Note:

- The earning per share has been computed by dividing net profit as restated, attributable to equity shareholders by restated weighted average number of equity shares outstanding during the year.
- The face value of each equity share is Rs. 10/-

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

P/E based on the Cap Price of Rs. [●] and on the EPS of the year ended March 31, 2008 of Rs. [●]: [●]

P/E based on the Floor Price of Rs. [●] and on the EPS of the year ended March 31, 2008 of Rs. [●]: [●]

Industry P/E – Transmission Line Towers / Equipments

- i) Highest: 15.4
- ii) Lowest: 6.3
- iii) Industry Composite: 12.4

Industry P/E – Telecommunication - Equipments

- i) Highest: 32.3
- ii) Lowest: 6.7
- iii) Industry Composite: 15.4

(Source: Capital Market Vol. XXIII/14 Sep 08 – 21, 2008)

3. Average Return on Net Worth

Year	RONW (%)	Weight
2005-06	3	1
2006-07	32	2
2007-08	30	3
Weighted average	26	

- Minimum Return on Total Net Worth to maintain Pre-Offer EPS as on March 31, 2008 of Rs. [●] is [●]%

4. Net Asset Value

Net Asset Value per Equity Share for the Year ended March 31, 2008 is Rs. 34.31

Post Offer Net Asset Value (based on March 31, 2008 NAV) per Equity Share after the Offer, based on the Cap Price of Rs. [●]: Rs. [●]

Post Offer Net Asset Value (based on March 31, 2008 NAV) per Equity Share after the Offer, based on the Floor Price of Rs. [●] : Rs. [●]

Issue Price*: [●]

*Issue Price per Share will be determined on conclusion of book building process.

Net Asset Value per Equity Share represents shareholders' equity as per restated financial statements less revaluation reserves and miscellaneous expenses as divided by weighted average number of Equity Shares outstanding as of date.

5. Comparison with Industry Peers

Particulars	EPS (Rs)	P/E	RONW (%)	BV (Rs.)
BS Transcomm Limited.*				
At Floor Price of Rs. [●]	[●]	[●]	[●]	[●]
At Cap Price of Rs. [●]	[●]	[●]	[●]	[●]
Peer Group*				
Jyoti Structures	8.8	13.6	23.5	42.0
KEC Infrastructure	34.3	11.1	46.3	98.3
Kalpataru Power Transmission Limited	55.3	15.4	21.3	289.5
Sujana Universal Limited	11.1	6.3	18.9	61.2
Nu –Tek India Limited	12.1	15.3	34.8	89.1

* Based on Restated Standalone numbers of March 31, 2008

(Source: Capital Market Vol. XXIII/14 Sep 08 – 21, 2008)

6. The face value of our Equity Shares is Rs. 10/- per Equity Share and the Issue Price of Rs. [●]/- is [●] times of the face value of our Equity Shares. The final price would be determined on the basis of the demand from the investors.
7. The BRLM believe that the Issue Price of Rs. [●]/- per Equity Share is justified in view of the above qualitative and quantitative parameters. Please refer to the section titled “Risk Factors” and our financials as set out in

the Auditors Report beginning on page xi and 123 respectively of the Draft Herring Prospectus to have a more informed view about the investment proposition.

STATEMENT OF TAX BENEFITS

To,

Dear Sir,

Re: Opinion on possible Direct Tax Benefits

We hereby report that the enclosed annexure states the possible tax benefits available to B S TransComm Limited (the “Company”) and its shareholders under the current tax laws in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperative the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the annexure are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult 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 whether:

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

No assurance is given that the revenue authorities/courts will concur with the view 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 B S TransComm 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 international misconduct. We will not be liable to any other person in respect of this statement.

For M.Bhaskara Rao & Co.,
Chartered Accountants

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO B S TRANSCOMM LIMITED AND TO ITS SHAREHOLDERS

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

I. Benefits available to the Company

B S TransComm Limited (herein referred to as 'BST') is an Indian Company, subject to tax in India. BST is taxable on its profits, profits are computed after allowing all reasonable business expenditure incurred for earning such income including depreciation. Up to Financial Year 2007-08 BST has not claimed any special tax holiday benefits.

Considering the activities and the business of BST, the following benefits may be available to BST.

1. The benefit of claiming weighted deduction of 125% of any sym paid to a company to be used by it for scientific research is available under Section 35, if the Company complies with the procedures required for obtaining such benefits..

The above benefits are subject to BST satisfying the conditions required under the IT Act.

2. The company will be entitled to amortize preliminary expenses being the expenditure incurred on public issue of shares, under section 35D(2)(c)(iv) of the IT Act, subject to the limit specified in section 35D(3).
3. In case the income tax payable under the normal provisions of the IT Act is less than 10% of the book profits of the Company, then such book profit would be deemed to be the total income of the Company for that year and Minimum Alternate Tax (MAT) payable on such total income would be at the rate of 10% plus applicable surcharge and education cess.
4. Section 36 (1) (xv) has been inserted by Finance Act, 2008 w.e.f 1-4-2009. This is a consequential amendment upon removal of the concession of tax rebate to securities transaction tax. Where the income from taxable securities transactions is included in the income computed under the head "Profits and gains from Business or Profession", then the amount of securities transaction tax paid by the assessee in respect of such securities transactions is considered as allowable expenditure from such income during the previous year.
5. Under section 115JAA(1A) of the IT Act, credit is allowed in respect of any MAT paid under section 115JB of the IT 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 IT 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 allowed.

Dividend Income

1. Under Section 10(33) of the Income Tax Act, 1961, any income arising from the transfer of a capital asset, being a unit of the Unit Scheme, 1964 referred to in Schedule 1 to the Unit Trust of India (Transfer of undertaking and Repeal) Act, 2002 (58 of 2002) and where the transfer of such asset taken place on or after the 1st Day of April 2002 is exempt.
2. As per the provisions of section 10(34) of the IT Act, any income by way of dividends referred to in Section 115 – O of the IT Act (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received from domestic company is exempt from income tax.
3. As per section 10(35) of the IT Act, the following income will be exempt in the hands of the Company:
 - a. Income received in respect of the units of a Mutual Fund specified under clause (23D) of Section 10; or
 - b. Income received in respect of the units from the Administrator of the specified undertaking; or
 - c. Income received in respect of the units from the specified company:

However, this exemption does not apply to any income arising from transfer of such units by the unit holder.

Capital Gain Income:

1. As per Section 10(38) of the IT Act any income arising from the transfer of a long-term capital asset, being an equity share in a company or a unit of equity oriented fund where
 - a. The transaction of sale of such equity share or unit is entered into on or after the date on which Chapter VII of the Finance (No.2) Act, 2004 comes into force; and
 - b. Such transaction is chargeable to securities transaction tax under that Chapter;

For this purpose “Equity Oriented Fund” means a fund

- a. 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
 - b. Which has been set up under a scheme of a Mutual Fund specified under Section 10(23D) of the IT Act.
2. As per section 54EC of the IT 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 IT 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 the capital gain is so invested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, if the assessee transfer or converts the long term specified asset into money within a period of three years from the date of its 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.

“Long term specified asset” for the purpose of making investment under section 54EC of the IT Act, means any bond, redeemable after three years and issued on or after the 1st day of April 2007:

- a. by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988 or;
- b. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

The investment in Long Term Specified Asset made by the Company on or after April 1, 2007 during the financial year should not exceed 50 lacs rupees.

3. As per section 111A of the IT Act, short term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess). Short Term Capital Gains arising from transfer of Shares in a Company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT 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.
 - 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.
4. Under Second Proviso to Section 48 of the Income Tax Act, 1961, the long term capital gains of the Company arising on transfer of capital assets other than bonds and debentures (not being capital indexed bonds) will be computed after indexing the cost of acquisition, cost of improvement and Long Term Capital Gains would be charged at a rate of 20% as per Section 112 of the Income Tax Act plus applicable surcharge and education cess. Alternatively, at the option of the company, in respect of Long Term capital gains from the sale of listed securities or units or zero coupon bonds whether payable in respect of any such long term capital gains exceeds 10% of the amount of capital gain arrived at without indexing the cost, the capital gains is charged at a concessional rate of 10% applicable surcharge and education cess.

5. In case any part of the business of the Company consists of purchase and sale of shares in companies, then provisions of the explanation to Section 73 may be attracted.

II. Benefits available to Resident Shareholders

1. As per the provisions of Section 10(34) of the IT Act, any income by way of dividends referred in Section 115 O of the IT Act. (i.e., dividends declared, distributed or paid on or after 1 April, 2003) received from a domestic company is exempt from income tax in the hands of shareholders.
2. As per Section 10(38) of the IT Act any income arising from the transfer of a long-term capital asset, being an equity share in a company or a unit of equity oriented fund where –
 - a. The transaction of sale of such equity share or unit is entered into on or after the date on which Chapter VII of the Finance (No.2) Act, 2004 comes into force; and
 - b. Such transaction is chargeable to securities transaction tax under that Chapter;

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

- a. 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
 - b. Which has been set up under a scheme of a Mutual Fund specified under Section 10(23D) of the IT Act
3. As per the provisions of Section 111A of the IT Act, short term capital gains from the sale of equity shares of the Company would be taxable at a rate 15% (plus applicable surcharge and Education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short Term Capital Gains arising from transfer of Share of a Company, other than those covered by Section 111A of the IT Act, would be subject to tax calculated under the normal provisions of the IT Act.
4. Under Second Proviso to Section 48 of the Income Tax Act, 1961, the long term capital gains of shareholder arising on transfer of capital assets other than bonds and debentures (not being capital indexed bonds) will be computed after indexing the cost of acquisition, cost of improvement and Long Term Capital Gains would be charged at a rate of 20% as per Section 112 of the Income Tax Act at applicable surcharge and education cess. Alternatively, at the option of the shareholder, in respect long term capital gains from the sale of listed securities or units or zero coupon bonds where the tax payable in respect of any such long term capital gains exceeds 10% of the amount of capital gains arrived at without indexing the cost, the capital gains is charged at a concessional rate of 10% plus surcharge as applicable and education cess.
5. Section 115H provides concession to a non-resident Indian who becomes a resident, to continue to avail the benefits of concessional rate of tax as per Chapter XII A on the investment income derived from foreign exchange assets even after he becomes a Resident, till such time the asset is either transferred or converted into money.

Foreign Exchange Asset for this section as stated in the IT Act means the following assets acquired in convertible foreign exchange.

- i) Shares in an Indian company
- ii) Debentures issued by an Indian Company which is not a private Company as defined in the Companies Act, 1956.
- iii) Deposits with Indian Company which is not a private Company as defined in the Companies Act, 1956.
- iv) Any security of the Central Government as defined in Public Debt Act, 1944.
- v) Other Assets as the Central Government may notify in the Official Gazette.

Such benefit is available only when the assessee furnishes a declaration in writing along with his return of income for the assessment year for which he is so assessable.

6. As per the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (which are not exempt under section 10(38)) of the IT Act would be exempt from tax to the extent such capital gains are invested in long term specified asset within 6 months from the date of such transfer in the bonds issued by:

- a. National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988;
- b. Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place. The investment in the Long Term Specified Asset made by the Shareholder on or after April 1, 2007 during any financial year should not exceed 50 lacs rupees.

The cost of the long term specified assets, which has been considered under this section for calculating capital gain, shall not be allowed as a deduction from the gross total income under Section 80C for any assessment year beginning on or after April 1, 2006.

7. As per the provisions of Section 54F of the IT Act and subject to the conditions specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family (“HUF”) on transfer of shares of the Company will be exempt from capital gains tax if the sale proceeds from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.
8. Whether the resident shareholder is a corporate assessee, then, to the extent its business consists of purchase and sale of shares of other companies, and then provisions of Explanation to Section 73 may be attracted.

III. Benefits available to Non-Residents/Non-Resident Indian Shareholders (other than Mutual Funds, FIIs and Foreign Venture Capital Investors)

1. As per the provisions of Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115 O of the IT Act. (i.e., dividends declared, distributed or paid on or after April 1, 2003) received on the shares of any company is exempted from the tax and are not subjected to any deduction of tax at source.
2. As per the provisions of Section 10(38) of the IT Act, long term capital gains arising on transfer of equity shares in the Company would be exempt from tax provided the transaction of sale has been entered through a recognized stock exchange and such transaction is chargeable to securities transaction tax.
3. In terms of the first proviso to Section 48 of the IT Act, in case of a non-resident, while computing the capital gains arising from transfer of shares or debentures of the company acquired in convertible foreign exchange (as per exchange control regulations) protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The Capital gains/loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into same foreign currency which was utilized in the purchase of shares.
4. As per provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long term capital gains (which are not exempt under Section 10(38) of the IT Act) would not be chargeable to tax to the extent such capital gains are invested in long term specified assets within 6 months from the date of transfer and held for a period of 3 years, from the date of acquisition, in bonds issued by:
 - a. National Authorities of India constituted under section 3 of the National Highways Authority of India Act, 1988;
 - b. Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place. The investment in

the Long Term Specified Asset made by the Shareholder on or after April 1, 2007 during the financial year should not exceed 50 lacs rupees.

The cost of the long term specified assets, which has been considered under this section for calculating capital gain, shall not be allowed as a deduction from the gross total income under Section 80C for any assessment year beginning on or after April 1, 2006.

5. As per the provisions of Section 54F of the IT Act and subject to the conditions specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family ("HUF") on transfer of shares of the Company will be exempt from capital gains tax if the sale proceeds from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.
6. As per the provisions of Section 111A of the IT Act, short term capital gains from the sale of equity shares of the Company would be taxable at a rate of 15% (plus applicable surcharge and Education cess) where such transaction of sale is entered on a recognized stock exchange in India is liable to securities transaction tax. Short Term Capital Gains arising from transfer of Shares of a Company, other than those covered by Section 111A of the IT Act, would be subject to tax calculated under the normal provisions of the IT Act.
7. Under Second Proviso to Section 48 of the Income Tax Act, 1961, the long term capital gains of shareholder arising on transfer of capital assets other than bonds and debentures of the Company referred to in the First Proviso will be computed after indexing the cost of acquisition, cost of improvement and Long Term Capital Gains would be charged at a rate of 20% as per Section 112 of the Income Tax Act as applicable surcharge and education cess. Alternatively, at the option of the shareholder, in respect long term capital gains from the sale of listed securities or units or zero coupon bonds where the tax payable in respect of any such long term capital gains exceeds 10% of the amount of capital gains arrived at without indexing the cost, the capital gains is charged at a concessional rate of 10% as applicable surcharge and education cess.
8. Section 115H provides concession to a non-resident Indian who becomes a resident, to continue to avail the benefits of concessional rate of tax as per Chapter XII A on the investment income derived from foreign exchange assets even after he becomes a Resident, till such time the asset is either transferred or converted into money.

Foreign Exchange Asset for this section as stated in the IT Act means the following assets acquired in convertible foreign exchange.

- i) Shares in an Indian company
- ii) Debentures issued by an Indian Company which is not a private Company as defined in the Companies Act, 1956.
- iii) Deposits with Indian Company which is not a private Company as defined in the Companies Act, 1956.
- iv) Any security of the Central Government as defined in Public Debt Act, 1944.
- v) Other Assets as the Central Government may notify in the Official Gazette.

Such benefit is available only when the assessee furnishes a declaration in writing along with his return of income for the assessment year for which he is so assessable.

9. As per Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement between India and the country or residence of the Non-Resident / Non-Resident Indian would prevail Over the provisions of the IT Act to the extent they are more beneficial to the Non-Resident / Resident Indian.
10. Where shares of the Company have been subscribed to convertible foreign exchange, non-Resident Indian (i.e., an individual being a citizen of India or person of Indian origin who is not a resident) has the option of being governed by the provisions of Chapter XII – A of the IT Act, which inter alia entitles them to the following benefits:
 - a. As per the provisions of section 115E of the Income Tax Act, 1961, and subject to the condition specified therein, long-term capital gains arising on the transfer of company's shares will be charged to Income Tax @ 10% (plus applicable surcharge and education cess)

- b. Under section 115F of the IT Act, long term capital gains arising to a non-resident Indian from the transfer of shares of the company, subscribed in convertible foreign exchange, shall be exempt from income tax, if the entire net consideration is reinvested in specified assets, as defined in Section 115C of the IT Act / saving certificates referred to in clause 10(4B) of the IT Act, within six months of the date of transfer. Where only a 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 / savings certificates are transferred or converted within 3 years from the date of their acquisition.
- c. Under section 115G of the IT Act, it shall not be necessary for a Non-Resident Indian to furnish his return of income if the only source of income is investment income or long term capital gains or both, arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax has been deducted at source from such income as per the provisions of Chapter XVII of the IT Act.
- d. Under Section 115I of the IT Act, a Non-Resident Indian may elect not to be governed by the foregoing provisions for any assessment year by furnishing his return of income for that assessment year under Section 139 of the IT 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 with the other provisions of the IT Act.

IV. Benefits available to Mutual Funds

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

V. Benefits available to Foreign Institutional Investors (FIIs)

1. As per the provisions of Section 10(34) of the IT Act, dividend income (referred to in Section 115O of the IT Act) would be exempt from tax in the hands of the share holders of the Company and are not subjected to deduction of tax at source.
2. As per the provisions of Section 10(38) of the IT Act, long term capital gains arising on transfer of equity shares of the company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.
3. As per the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein. Long-term capital gains (which are not exempt under section 10(38) of the IT Act) would not be chargeable to tax to the extent such capital gains are invested in long term specified assets within 6 months from the date of transfer and held for a period of 3 years, from the date of acquisition, in bonds issued by :
 - a. National Authorities of India constituted under section 3 of the National Highways Authority of India Act, 1988;
 - b. Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place. The investment in the Long Term Specified Asset made by the Shareholder on or after April 1, 2007 during the financial year should not exceed 50 lakh rupees.

The cost of the long term specified assets, which has been considered under this section for calculating capital gain, shall not be allowed as a deduction from the gross total income under Section 80C for any assessment year beginning on or after April 1, 2006.

4. Where the Foreign Institutional investor is a corporate assessee, then to the extent its business consists of purchase and sale of shares of other companies, then provisions of explanation to Section 73 may be attracted.

5. As per the provisions of Section 115AD of the IT Act, income (other than income by way of dividends referred to in section 115O of the IT Act) of FIIs arising from securities (other than the units purchased in foreign currency referred to section 115AB of the IT Act) would be taxed at concessional rates, as follows:

Nature of income	Rate of Tax (%)
Income in respect of securities	20
Long term capital gains	10
Short term capital gains (Other than short term capital gains referred to in Section 111A)	30

The above rates would be increased by the applicable surcharge and education cess. The benefits of indexation and foreign currency fluctuation protection as provided under Section 48 of the IT Act are not available.

As per the provisions of Section 111A of the IT Act, short-term capital gains arising from transfer of equity share in the Company would be taxable at a concessional rate of 15% (Plus applicable surcharge and education cess) where such transaction of sale is liable to securities transaction tax.

6. As per Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the FII would prevail over the provisions of the IT Act to the extent they are more beneficial to the FII.

VI. BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES / FUNDS

As per section 10(23FB) of the IT 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 their entire 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 hand of such person.

Under the Wealth Tax Act, 1957

Assets as defined under Section 2(ea) of the Wealth tax Act, 1957 does not include shares in companies and hence, shares of the Company held by the shareholders would not be liable to wealth tax.

Under the Gift – Tax Act

Gift tax is not leviable in respect of any gift made on or after 1st October 1998. Therefore, any gift of shares of the Company will not attract Gift tax.

Notes:

- The above statement of possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.
- The above statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.
- Legislation, its judicial interpretations and the policies of the regulatory authorities are subject to change from time to time, and these may have a bearing on the above. Accordingly, any change or amendment in the law or relevant regulations would necessitate a review of the above. Unless specifically requested, we have no responsibility to carry out any review of our comments for changes in laws or regulations occurring after the date of issue of this note.
- This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax

consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

- e. In respect on non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
- f. The statement of possible tax benefits enumerated above is as per the Income Tax Act, 1961 as amended by the Finance Act 2008.

Our views expressed herein are based on the facts and assumptions indicated by you. 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. The views are exclusively for B S TransComm Limited. M.Bhaskara Rao & Co., India shall not be liable to B S TransComm 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. M.Bhaskara Rao & Co., will not be liable to any other person in respect of this statement.

SECTION IV: ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information presented in this section has been obtained from publicly available documents from various sources, including officially prepared materials from the Government of India and its various ministries, industry websites/publications and company estimates. Industry websites/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 this Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company estimates, while believed by us to be reliable, have not been verified by any independent agencies.

Transmission Tower Industry:

The tower manufacturing industry today caters mainly to the telecom and power sectors in the country. Telecom companies and Power transmission companies are facing the challenging task of meeting the growing demand and aggressive roll-out plans. These companies rely on specialists to get the signal transmission / power transmission equipment ready for their roll-outs. The companies could be either only tower suppliers or turnkey solution providers who provide all services from designing to erection of towers. These players need to meet stringent quality requirements and also need to be capable of meeting the changing requirements of the telecom and power industries.

Transmission towers are one of the pillars of the telecommunication and the power sector. Telecommunication sector is witnessing growth in terms of reach and subscriber base. Also this sector with high penetration level is suffering from network congestion. This would necessitate investments in both active and passive infrastructure.

The power sector has been identified by The Government of India as a key sector of focus. It has embarked on an aggressive mission – “Power for All by 2012” and has undertaken several reforms to make the power sector more attractive to private sector investment. Similarly, with great amount of capacities being set up in power generation by private sector as well as public sector players, demand for transmission and distribution would require huge investment in transmission and distribution sector.

Indian Telecom Sector

India has become second largest wireless network in the world after China by overtaking USA, as per data available on CTIA (International Association for the Wireless Telecommunications Industry) website. The total wireless subscribers (GSM, CDMA & WLL(F)) base stood at 296.08 million at the end of July 2008. A total of 9.22 million wireless subscribers have been added in the month of July 2008 as against 8.94 million wireless subscribers added in the month of June 2008. (Source: TRAI press release No. 43 / 2008 and, 73/2008)

The total subscriber base is expected to reach 562 million by March 2012 from 300 million at end March 2008, registering an increase of 262 million subscribers. The mobile subscriber base is likely to expand by 258 million and is expected to account for a large proportion of the total telecom net additions during the period. Fixed line subscriber base is forecasted to increase by 3.2 million over the next 4 years. Consequently, wireless tele-density is estimated to reach 44 percent in March 2012 from 23 percent at end March 2008.

Telecom subscriber base: Mobile and fixed

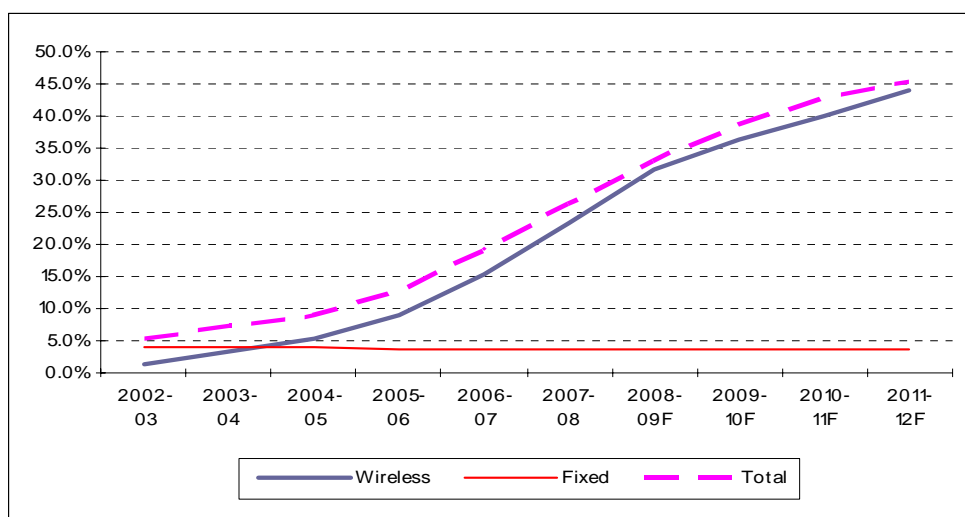
Subscriber base	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09F	2011-12F
(’000)								
Mobile	13,794	35,580	56,973	98,834	166,051	261,079	356,805	519,214
Fixed	40,500	40,903	41,407	41,540	40,780	39,416	39,909	42,429
Total	54,294	76,483	98,380	140,374	206,831	300,495	396,714	561,643

F: Forecast

Source: CRISIL Research Indian Infrastructure; August 2008

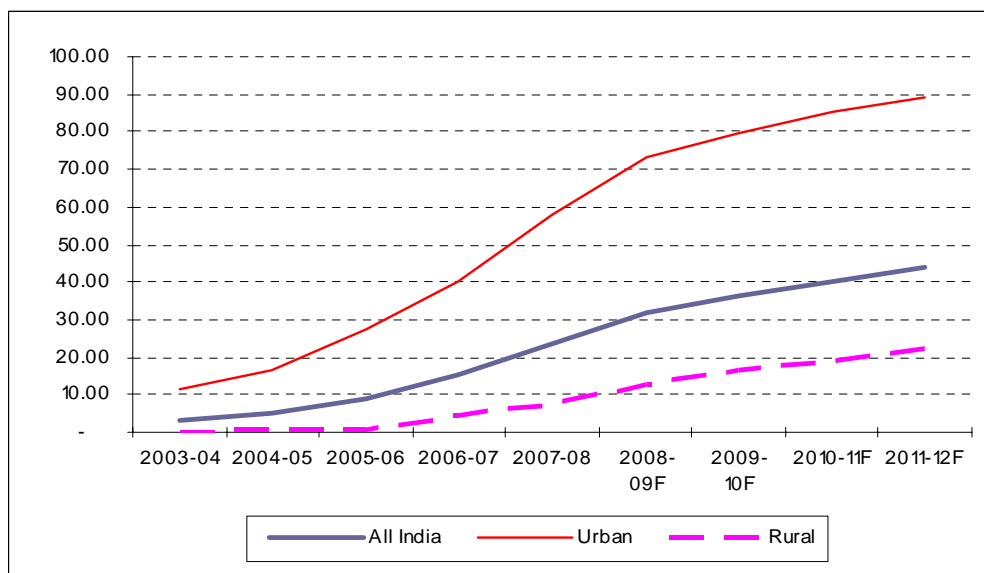
With these net additions in subscriber base, total tele-density of India is forecast to surge from 27 percent in 2007-08 to 48 percent in 2011-12.

Tele Density-Mobile and Fixed



Increase in coverage in rural areas and reduction in minimum subscription cost is likely to bring about significant improvements in net addition contribution from semi urban and rural areas. At the end March 2008, the rural wireless subscriber base stood at 62.3 million, accounting for 24 percent of total wireless subscriber base. Subsequently, the rural subscriber has registered substantial growth due to rising focus of telecom operators on rural operations. During 2007-08, the wireless segment added 95 million subscribers, of which, 29.1 million (31 percent) were from rural areas. (Source: TRAI website).

Mobile Tele –density – Urban and Rural



Almost 80 percent of the total subscribers have been added over the last 3 years. However, the wireless tele-density stood at only 23 percent, which is much lower than developed countries as well as some of the neighboring developing countries. For example, at the end of December 2007, Pakistan had a wireless subscriber base of 76 million, indicating a wireless tele-density of 45.5 percent whereas China has a subscriber base of 539 million at the end of December 2007, representing a wireless tele-density of 40.8 percent. (Source: CRISIL Research Indian Infrastructure: August 2008)

Industry Growth Drivers

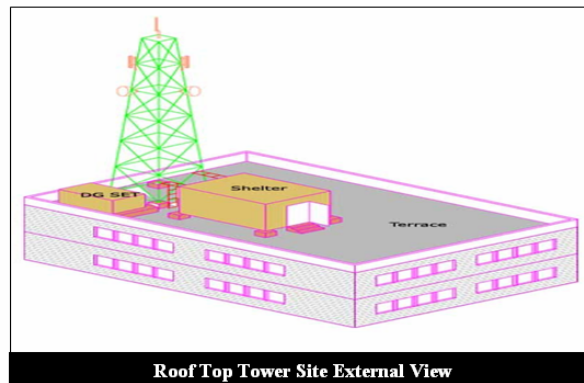
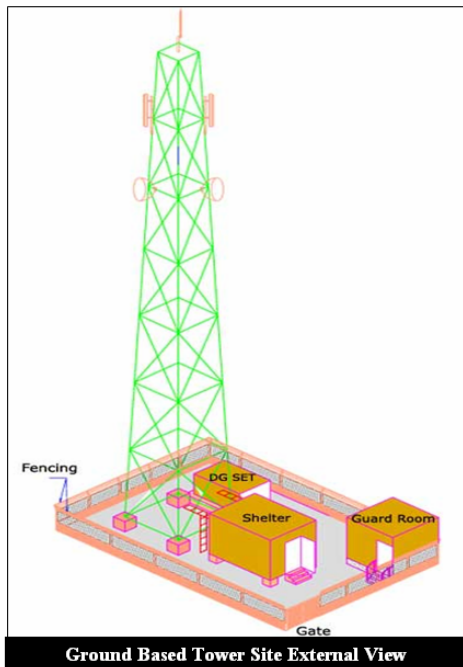
India's economic growth, favorable demographics of the population coupled with deregulation of telecommunication industry, increasing affordability etc. has fuelled the growth of telecommunication industry in India. The Indian wireless telecommunication industry has experienced significant growth in recent years. The following factors are expected to contribute to growth of the industry:

- **Favorable economic, demographic and social factors to fuel growth**
Robust real GDP growth in each of the last three years, a large young, working population, a fast-growing and progressively richer middle class; and disparity in affordability of wireless services versus actual mobile penetration, all indicate the extent of potential demand.
- **Increased regulatory clarity**
Regulatory changes and refinements in recent years have brought greater clarity to existing rules and procedures, and have enabled operators to focus on improving network quality and providing better and cheaper telecommunications services to subscribers under a stable regulatory regime.
- **Decline in tariff and reduced handset costs**
Increased competition and regulatory changes, such as phasing out of ADC on domestic calls, reduction in ADC on international call and licence fees, have led to tariff declines in the past, which is expected to continue in the foreseeable future. Entry of low cost handsets has reduced the entry barriers for new mobile subscribers. All these factors are contributing significantly to the increase in the nationwide subscriber base.
- **Fall in incremental capital expenditure per subscriber**
Economies of scale in terms of high utilization of fixed costs, better negotiation with vendors on account of increased orders will benefit the operators. This reduction in network equipment costs will result in driving down the total cost for fresh roll – outs undertaken by the operators to expand coverage and capacity as well as bringing down the total capex spend per incremental subscriber.
- **Low existing penetration levels and increasing focus on rural areas**
India's overall present tele-density and mobile penetration is significantly lower than the global average, indicating that Indian market has considerable potential for growth compared to more developed markets. Going forward, with operators expanding into the rural areas, we expect penetration to increase. Contribution in net additions from rural areas is expected to increase from 29 per cent in 2007-08 to 54 per cent in 2011-12. *(Source: CRISIL Research Indian Infrastructure: August 2008)*
- **Advantages of wireless service over wireline service**
India's population is geographically spread out across semi-urban and rural areas and the high capital intensity of providing 'last mile' connectivity to wireline subscribers makes it economically un-remunerative to provide wireline services to a large section of the population.

Indian Telecommunications Passive Infrastructure Industry

The most important requirement for offering quality mobile services is the presence of a robust mobile network. A typical network can be divided into three parts: (a) Mobile Station (equipment carried by the subscriber), (b) Base Station Subsystem (which controls the radio link with the Mobile Station) and (c) The Network Subsystem (which is the Mobile Services Switching Center). Along with performing the function of switching calls between mobile users, and between mobile and fixed network users, Mobile Services Switching Center also handles the mobility management operations. The Base Station Subsystem is composed of two parts, the Base Transceiver Station (BTS) and the Base Station Controller. The BTS serves a cell, which could be a few kilometres in diameter and houses radio transceivers that are mounted on towers. The BTS defines a cell and handles the radio link protocols with the Mobile handset. A mobile service area has a large number of BTS's deployed that define and divide the service area into hexagon shape cells (known as cell sites). These cell sites comprise primarily:

- Active Infrastructure: which includes electronic components such as radio frequency, radio antenna, BTS, microwave equipment, etc.
- Passive Infrastructure: including antenna mounting structure (towers), shelters, power supply, battery banks, invertors, air conditioners, DG sets, cables etc.



Universal Service Obligation (USO) Fund

The Department of Telecommunication (DoT) has formulated a phased strategy to provide mobile coverage to rural areas. For this purpose, DOT has identified 800 districts where telecommunication services have not been provided as yet.

In the first phase, DoT identified 7,871 towers spread over 500 districts for provision of mobile services in specified rural areas, where there was no existing coverage. In phase two, the government has proposed to set up around 11,000 additional towers to cover other areas where no wireless penetration exists. Apart from increased rural penetration, the USO fund will enable operators to roll out services at affordable prices.

Wireless Industry Investment:

CRISIL Research expects the mobile service industry to witness an investment of Rs. 1540 billion (excluding licence fees aid for 2G and 3G services) over the next 4 years. The investment is expected to be targeted at enhancing coverage and catering to the rising subscriber base. Significant portion of investment is also likely to be directed towards putting up more cell site in existing areas to provide better quality service and to accommodate continuously increasing minute of usage. (Source: CRISIL Research Indian Infrastructure: August 2008)

As semi-urban and rural areas are expected to drive future growth in the subscriber base, passive infrastructure is likely to be shared so as to reduce capital expenditure and make the service more affordable. To capture the impact of sharing in the overall capex, passive and active infrastructure investments have been analyzed independently. (Source: CRISIL Research Indian Infrastructure: August 2008)

Investment required for wireless Infrastructure:

At the end of March 2008, there were around 210,000 towers in the country. At 20 percent sharing, an estimated 2,50,000 BTSs were installed, catering to 261 million subscribers across the country. Over the next few years, growth in subscriber base will result in corresponding increase in the number of BTSs. Consequently the number of towers to support the BTS's will also rise. (Source: CRISIL Research Indian Infrastructure: August 2008)

The wireless subscriber base is expected to reach 519 million by the end of March 2012, registering an increase of 258 million over the next four years (March 2008 to March 2012). Considering the subscriber demand forecast and average subscriber per base transceiver station (BTS) and anticipated rollout of 3G networks, an additional 4,50,000 BTS will be required to support the projected wireless subscriber base. (Source: CRISIL Research Indian Infrastructure: August 2008)

In rural India, most towers are ground-based; also the proportion of sharing is anticipated is higher in rural areas as compared to urban areas. Over the next 4 years (March 2008 to March 2012), considering incremental urban and rural subscriber base, together with ground-based and roof-top proportion and increase in tenancy rates, we expect that to support the 258 million incremental subscribers, 185,000 additional towers would be required. (Source: CRISIL Research Indian Infrastructure: August 2008)

Active infrastructure includes antenna, cables, filters, node B and transmission systems. The cost of active equipment is estimated to be 35 percent of total capex; the balance is accounted for by passive infrastructure. (Source: CRISIL Research Indian Infrastructure: August 2008)

Table: Investment Required

Investment requirement			
Rs million	2007-08	2008-09E	Cumulative Capex*
Active Capex	187	161	548
Passive Capex	227	321	992
Total Capex	414	482	1,540

*Cumulative investment is for the period 2008-09 to 2011-12.

F: Forecast

Source: CRISIL Research Indian Infrastructure: August 2008

POWER SECTOR

The Indian power sector has historically been characterized by energy shortages which have been increasing over the years. In 2006-07, peak energy deficit was estimated to be at 13.8% and normative energy deficit was estimated to be 9.6%.

Regional Demand-Supply Scenario

The following table displays the peak and normative power shortages in India for the period from April 2007 – February 2008 across different regions in India:

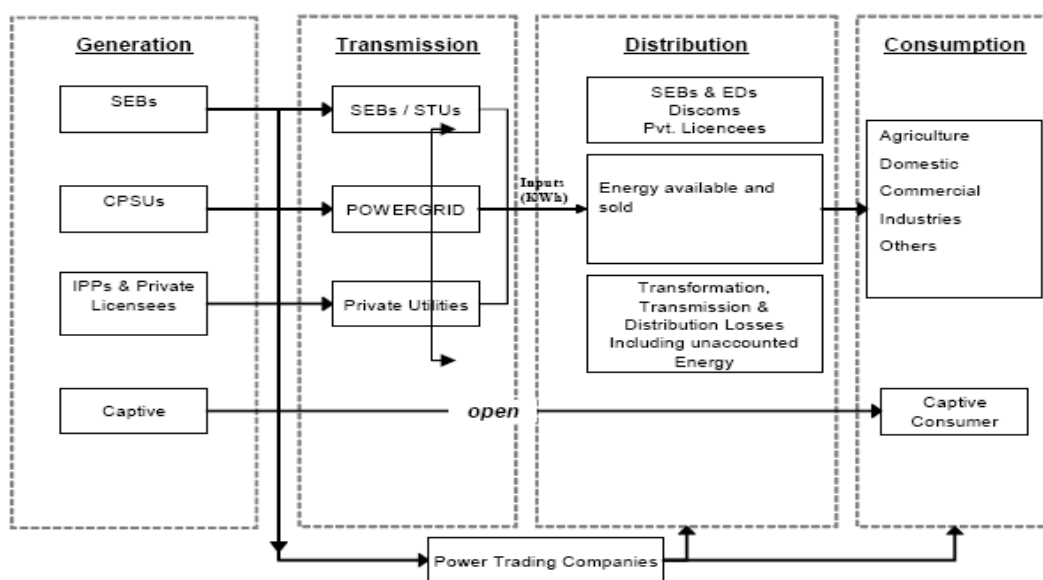
Fiscal Year	Peak				Normative			
	Requirement	Availability	Shortage		Requirement	Availability	Shortage	
	(MW)	(MW)	(MW)	(%)	(MU)	(MU)	(MU)	(%)
North	32,462	29,495	2,967	9.1	199,779	179,834	19,945	10
West	38,277	29,385	8,892	23.2	223,928	189,555	34,373	15.4
South	26,913	24,194	2,719	10.1	171,247	165,904	5,343	3.1
East	11,385	10,699	686	6	68,906	65,629	3,277	4.8
North-East	1,684	1,347	337	20	8,055	7,131	924	11.5

(Source: CEA, "Power Scenario at a Glance", March 2008)

Energy deficit varies widely across India, with the western region having the highest peak and normative energy shortages followed by the northern region. The Government of India has identified the power sector as a key sector of focus. It has embarked on an aggressive mission – "Power for All by 2012" and has undertaken several reforms to make the power sector more attractive to private sector investment.

STRUCTURE OF THE INDIAN POWER SECTOR

The following diagram depicts the structure of the Indian power industry for generation, transmission and distribution and consumption:



Key to the diagram:

CPSUs	Central Public Sector Undertaking
Discoms	Distribution Companies
ED	Electricity Department
IPP	Independent Power Producer
SEB	State Electricity Board
STU	State Transmission Units

Generation

Generation generally refers to the bulk production of electric power for industrial, residential and rural use. According to data from the CEA, as on September 30, 2007, India's power generation systems had a total installed capacity of around 135,782 MW of which central power sector utilities accounted for approximately 34%, state sector entities accounted for approximately 52.25% and private sector companies accounted for approximately 13.75%.

The table below shows total installed generation capacity by sector and type of generation as on August 31, 2008.

(Figures in MW)

Sector	Hydro	Thermal	Nuclear	R.E.S.	Total
State	26,300	47,194	-	2,200	75,694
Private	1,306	10,022	-	9,995	21,322
Central	8,592	35,899	4,120	-	48,611
Total	36,198	93,115	4,120	12,195	145,627

Source: CEA

The National Electricity Policy envisages “Power for all by 2012” and per capita availability of power to be increased to over 1,000 units by 2011-12. To achieve this, a total capacity addition of about 1,00,000 MW is required during 10th and 11th Plan period. To meet the energy generation requirement of 1038 BU and a peak load of 1,52,746 MW with diversity and 5% spinning reserve, a capacity addition of about 82,500 MW is required during 11th plan. (Source: CEA website)

In order to match the increasing demand for power within India, substantial increases in generation capacity will be required, which will require additional improved transmission and distribution systems, all of which will require significant investment. According to data from the CEA, as on September 30, 2007, India's power generation systems had a total installed capacity of 135,782 MW. According to data from the MoP, an additional 78,577 MW are required to meet the projected demand during the Eleventh Plan. According to the Report of the Working Group on Power for Eleventh Plan, the overall requirement of funds in the Eleventh Plan for the power sector has been estimated at Rs. 10,316,000 million. (Source: CEA website)

Transmission

Transmission of electricity is defined as bulk transfer of power over a long distance at a high voltage, generally of 132 kv and above. In India bulk transmission has increased from 3708 ckm in 1950 to more than 265,000 ckm today. The entire country has been divided into five regions for transmission systems, namely, Northern Region, North Eastern Region, Eastern Region, Southern Region and Western Region. The interconnected transmission systems within each region is also called regional grid. (Source: Ministry of Power website)

The Government of India has an ambitious mission of ‘**POWER FOR ALL BY 2012**’. This mission would require that our installed generation capacity should be at least 2, 00,000 MW by 2012 from the present level of 1,14,000 MW. To be able to reach this power to the entire country an expansion of the regional transmission network and inter regional capacity to transmit power would be essential. The latter is required because resources are unevenly distributed in the country and power needs to be carried great distances to areas where load centres exist. . (Source: Ministry of Power website)

In India, the transmission and distribution system is a three-tier structure comprising regional grids, state grids and distribution networks. Most interstate transmission links are owned and operated by the Power Grid Corporation of India Limited (PGCIL) though some are jointly owned by the SEBs. In addition, PGCIL owns and operates many inter-regional transmission lines (which are a part of the national grid) to facilitate transfer of power from a region of surplus to one with deficit. State grids and distribution networks are primarily owned and operated by the respective SEBs or state governments (through state electricity departments).

As at June 30, 2007, PGCIL had 45 transmission projects that are in various stages of implementation. These projects involve 30,536 circuit kilometers of transmission lines and 34 substations with a total power transformation capacity of 29,420 MVA. The total approved cost of these projects is Rs. 272,911 million

The GoI's Eleventh Five Year Plan commenced on April 1, 2007. This plan includes the goal of achieving a national power grid with inter-regional power transfer capacity of more than 37,000 MW. PGCIL plans to invest Rs. 550 billion on transmission infrastructure during this five-year period, subject to government approvals.

Distribution

The total installed generating capacity in the country is over 135,000 MW and the total number of consumers is over 144 million. Apart from extensive transmission system network at 500 kv HVDC, 400kv, 220kv, 132kv and 66kv which has developed to transit the power from the generating station to the grid substation, a vast network of sub transmission in distribution system has also come up for the utilization of power by the ultimate consumers. . (Source: Ministry of Power website)

However, due to lack of adequate investment on T&D works, the T&D losses have been consistently on higher side, and reached to the level of 32.86% in the year 2000-01. The reduction of these losses was essential to bring economic viability to the State Utilities. (Source: Ministry of Power website)

Distribution Investment in Eleventh Plan

		Rs. Crore
1.	Sub Transmission & Distribution for Urban & Rural areas	1,97,000
	RGVY	40,000
		2,37,000
2.	APDRP & Other Schemes (pumpsets etc.)	40,000
3.	De Centralised Distributed Generation	20,000
4.	Others	10,000
	Total	3,07,000

Source: Report of The Working Group on Power for Eleventh Plan

Considering the huge demand supply gap and amount of investment proposed to be made in telecommunication and power sector, tower manufacturing being a direct beneficiary is likely to benefit from the same.

BUSINESS OVERVIEW

Unless stated otherwise, the financial data in this section is as per our consolidated financial statements prepared in accordance with Indian GAAP set forth elsewhere in the Draft Red Herring Prospectus. In this section only, any reference to “we”, “us” or “our” refers to BS TransComm Limited.

Overview

Our Company is engaged in the business of manufacturing and supply of towers to the telecommunication and the power sector in India with a pan India presence in 19 out of the 23 telecom circles. We are headquartered in Hyderabad and have eight circle offices throughout India through which we service customers in 19 telecom circles. In addition, our Company has also started providing turnkey solutions to the telecommunication and power transmission industry. Our Company intends to capitalize on the emerging opportunities in the telecommunications and power transmission sector.

Our tower manufacturing activities include designing and fabrication of telecommunication and power transmission towers. Our Company supplies towers to companies like Reliance Infratel Limited, Vodafone, Idea Cellular Limited, Wireless- TT Info Services Limited, Essar Telecom Infrastructure Limited, Indus Towers Limited, Transmission Corporation of Andhra Pradesh Limited (“APTransco”) and Huawei Telecommunications Limited.

As a turnkey solution provider to the telecommunication sector we undertake radio frequency (RF) planning and transmission survey, site identification, acquisition, clearance and design, technology integration, project management and control, equipment procurement, supply and installation and managing services including RF optimizing. Our clients to whom we provide turnkey solutions are Wireless- TT Info Services Limited, Reliance InfoComm Limited and Ericsson India Private Limited.

As a turnkey solutions provider to the power sector, we execute power transmission and sub-station projects on turnkey basis which includes supply of materials, installation, erection and commissioning. The work to be carried out for transmission projects are preliminary survey, route alignment, detail survey, check survey, classification of soil (for type of foundation to be used), construction of foundation, erection of towers, stringing of line, earthing, fixing of accessories, testing and commissioning of line. Presently we are executing projects for APTransco.

Our Company was incorporated in the year 2004 as a private limited company under the name of B.S Steels and Minerals Private Limited with a primary objective of trading in steel products required by tower manufacturers. Our business involved procuring steel products from various rolling mills and steel manufacturers based in Andhra Pradesh and Maharashtra and selling them to various tower manufacturers and other vendors located in and around Andhra Pradesh and Maharashtra. Our Promoters’ significant experience of over a decade in the manufacturing of steel products and the concurrent demand for telecommunication and power transmission towers prompted us to diversify into manufacturing and supply of such towers. In 2007, our Promoters set up a 36,000 MTA capacity for manufacturing of telecommunication and power transmission towers in one of our group Company B.S Integrated Steel Products Private Limited at Medchal, Andhra Pradesh.

Pursuant to the scheme of amalgamation approved by Andhra Pradesh High Court, B.S. Integrated Steel Products Private Limited was merged with BS Steels and Minerals Private Limited, with effect from April 1, 2006, being the appointed date. The manufacturing unit at Medchal, Andhra Pradesh was transferred to BS Steels and Minerals Private Limited along with its assets and liabilities. The name of BS Steels and Minerals Private Limited was changed to BS TransComm Private Limited in January 2008.

Our Company secured its first order for manufacture of 878 MTA of telecommunication towers in March 2007 and in the first full year of operations, (FY 2007-08), we manufactured 24,034 MTA of towers with a capacity of 36,000 MTA.

In the fragmented domestic market for passive infrastructure solutions, we believe we differentiate ourselves through our pan India presence by servicing our clients by providing manufacturing and turnkey services across the country. Having demonstrated our ability to service major telecom operators, we believe we are well positioned to capitalize on the growth opportunities in the emerging telecommunication and power industry.

With the roll out plans of telecom companies coupled with the TRAI policy and Universal Service Obligation along with mega power generation capacities being set up, our Company believes that there is a growing demand for telecommunication and power transmission towers. Foreseeing these emerging opportunities in a market which has

experienced and which we believe will continue to experience a growing market for towers in the Indian telecommunications and power transmission sector we have now focused our operations on manufacturing and supply of telecommunication and power transmission towers and providing turnkey solutions and planned a capacity expansion to service the growing demand. As on September 15, 2008 our total order book stood at approximately Rs. 8,058 lacs, out of which our order book from manufacturing of telecommunication and power transmission towers was Rs 5,458 lacs and from turnkey service projects was approximately Rs 2,600 lacs.

We have been accredited ISO 9001:2000 in 2007 by JAS-ANZ and ISO 14001:2004 by Quest International in the year 2008 for our Factory.

As of August 31, 2008, we had 309 permanent employees and 485 contract employees. We maintain installation teams, as well as support staff, in 19 telecom circles out of 23 telecom circles defined by the Telecommunications Regulatory Authority of India ("TRAI").

As on March 31, 2008 our total revenue was 42,559.69 lacs out of which our manufacturing revenue was Rs. 6,787.87 lacs, turnkey services was Rs 319.50 lacs and trading revenue was Rs. 35,452.32 lacs.

Competitive Strengths

Well positioned in the high-growth Indian telecommunications and power sector

We believe the Indian telecommunications sector and the wireless technology in particular will continue to experience high growth. With government initiatives focused on expanding rural telecom infrastructure, and the need to tap the growing subscriber base has resulted in a huge demand for towers. Also with the telecom sector preparing itself for the 3G technology to enable high speed data transmissions and video conferencing over mobile phones, which will require higher and closer location of telecom sites thereby increases demand for towers.

Further, the GOI has, in each of its successive five year plans, increased targets for addition of power generation capacity and projected addition of 82,500 MW during the eleventh five year plan which necessitates increased investment in power transmission and distribution.

As on September 15 2008, we have firm orders for supply of 8,403 MT of telecommunication and power transmission towers and with our proposed expansion plans we believe we are well positioned to benefit from the significant growth opportunities in the high growth Indian telecommunications and power sectors.

We believe we have established ourselves in supplying towers and providing efficient services to the telecommunication sector which will enable us to effectively exploit the high growth opportunities in India's rapidly expanding wireless telecommunications and the power sectors.

Reputed client base

We believe that we have developed a reputation for timely implementation of orders. Our clientele included leading companies in the Indian wireless industry, such as Vodafone, Essar Telecom Infrastructure Limited, Bharti Infrastructure Limited, Acme Tele Power Limited, India Telecom Infrastructure Limited, Reliance Communications Limited, Wireless- TT Info Services Limited, Idea Cellular Limited, etc.. We believe that our client base and our relationship with telecommunication service operators and infrastructure providers facilitate us with a greater market visibility with goodwill and helps us secure repetitive orders.

Pan India services presence

We have created a strong service network covering 19 telecom circles wherein we provide turnkey services which enhances our delivery model. Our pan India presence enables us to procure repetitive orders and also helps us maintain a cordial relationship with our clients, at their circle offices. The geographical expansion of the telecommunication companies in the rural and semi-urban areas is leading to a constant rise in the demand for towers is leading to an increase in subscriber base, which in-turn is leading to a constant increase in tower demand.

Efficient sourcing of raw material

We are committed to acquiring the best quality raw material at reasonable price. We believe that the experience and relationship of our Promoters in the steel industry enables us to timely source raw material, thus helping us complete our orders within timelines without any cost overruns. Although we have a long relationship with some of our vendors, we are open to quotations from new vendors which ensure that we retain flexibility to take advantage of changes in market conditions for raw materials required by us.

Our integrated business model

We believe our integrated business model positions us as a single point vendor for meeting the telecom operators requirements ranging from identifying and acquisition of sites, the design and manufacture of towers, sourcing and supply of equipment for erection of towers, erection of towers and provision of managing services and passive telecom infrastructure services like erection and painting of towers, civil and electrical works, installation and commissioning of shelter, DG sets and battery banks and enhances our responsiveness to our clients individual requirements. This enhances our ability to procure large orders which essentially involve providing entire range of services with respect to the tower. This serves as a key differentiator vis-à-vis other telecom tower manufacturers.

Experienced management team

Our management team with an established track record and knowledge of the sector in which we serve has enhanced our ability to build relationships with reputed telecom operators within a short span of time. Our management team has significant experience in procuring raw material, manufacturing and marketing of our towers. Our Promoters have over a decade of experience in the steel industry; our senior management has over two decades of experience in telecommunication and power sector. This mix of expertise enables us to procure repetitive orders, source the raw materials and ensure competitive timelines. We provide our staff with competitive compensation packages and a corporate environment that encourages responsibility, autonomy and innovation. This has helped us in recruiting high caliber management and employees. We believe that the experience of our management team and its in-depth understanding of the markets will enable us to continue to take advantage of both current and future market opportunities.

Business Strategy

Our business strategy for achieving our long term objectives involves the following:

Backward Integration

We propose to set up a rolling mill plant with a capacity of 90,000 MTA for the purposes of providing strategic backward integration in order to increase the operational flexibility of our Company. This would enable us to manufacture structural steel, which is used as a raw material for our fabrication plant and thereby making our Company less dependent on suppliers. The plant would provide raw materials in a timely manner which would lower costs and improve operating margins.

Penetration in all telecom circles and other business sectors

As on September 15, 2008, we have an order book of 8,403 MT of telecommunication towers which have to be supplied by October 31, 2008. In order to capture the huge opportunity arising out of the growth in demand of telecommunication towers, we have laid down expansion plans to increase our capacity from the current annual capacity of 36,000 MTA to 2,40,000 MTA in two phases. The Company currently provides services to telecom operators in 19 out of 23 circles in India and immediately intends to start operations in other circles after the expansion. Our Company also intends to foray into sectors such as towers for railway electrification and defense and also windmills.

Foray into international growth markets

In order to increase the market for our towers in the global passive telecommunications and power transmission sector, we plan to commence overseas operations. Our strategy is to focus on markets in undeveloped or developing economies. Our Company is in negotiations to enter into joint ventures with third parties for setting up galvanizing and fabrication units for the manufacturing of telecommunication and power transmission towers in Kenya and Nigeria. We will utilize the experience and expertise gained out of our Indian operations to procure and execute orders from international customers. We will look to develop relationships with overseas agents, who are regional or local providers

to telecommunications operators and power transmission companies, to market and distribute our towers to those operators without our having to incur direct international marketing and business development costs.

To position ourselves as a major manufacturer of power transmission towers and turnkey solutions provider

There is a huge gap between demand and supply for power transmission towers in the country. Considering the proposed investment in the power sector as envisaged in the Eleventh Five Year Plan, we intend to capitalize on this opportunity. In cases where we individually do not qualify to bid for project, we bid jointly with third parties and we intend to continue this practice going forward.

To diversify into complimentary passive and active infrastructure for telecommunication tower industry

As part of our strategy to diversify to deliver an efficient service we intend to focus on innovative products to address the existing and latent needs of our customers. Our Company is planning to foray into complimentary services related to passive and active infrastructure for the same we have recently set up a subsidiary by the name of M/s B.S Infratel Limited. This will enable us to provide a complete suite of products and services to our clients.

We also intend to set up a team of specialists to implement services in the active telecommunication infrastructure industry. As regards to passive infrastructure we have started to explore opportunities for providing a range of products including manufacturing and installation of shelters, battery banks. We are also carrying out research and development in the area of power saving solutions for cell sites.

Grow our business through strategic acquisitions and alliances

As a part of our growth strategy, we intend to undertake overseas and domestic corporate acquisitions in the active and passive telecommunication industry. We will evaluate such acquisitions on a case-by-case basis in order to grow our business, expand our product portfolio and enhance our geographical reach.

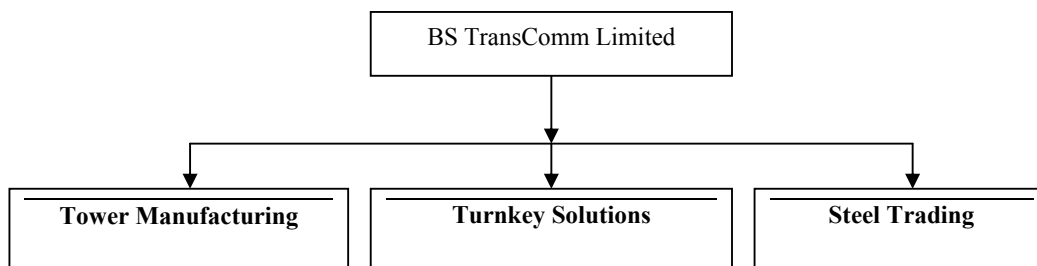
We are in preliminary negotiations for acquisition of a services company in the telecommunication space. We are also in advance stages for a tie up with an engineering company for technology transfer for manufacturing structured steel products.

To phase out trading operations

We intend to focus on manufacturing of telecommunication and power transmission towers along with providing turnkey solutions and phase out our trading operations gradually. We had carried on this business with the objective of gaining a better understanding of the market and to have a control on our material costs and inventory. Phasing out this activity which has thin trading margins as compared to margins in tower manufacturing and turnkey solutions will help us improve our overall margins.

Our Business Divisions

The operations of our Company can be broadly divided into three distinct categories:



Our Tower Manufacturing Division

We manufacture customized towers as per the requirements of our clients in the telecommunication and power transmission sector.

Telecom Towers

We manufacture two types of towers: Ground Based Towers and Roof Top Towers

Ground Based Towers:

Towers that are erected on the natural ground after excavation of soil and provided with a suitable foundation system are ground based towers. The height of a ground based tower varies from 30 m to 80 m depending on the line of sight required.

Roof Top Towers:

Towers that are erected on existing buildings by raising the existing columns and are provided with tie beams in between the columns are called roof top towers. The height of a roof top tower varies generally from 9 m to 30 m.

The activities in tower division consist of:-

- Designing of towers as per customers' requirement
- Obtaining design certificates from third party agencies if required
- Fabrication of towers parts
- Galvanizing of tower parts
- Manufacturing tower accessories such as foundation bolts, templates, stubs etc
- Segregation and packaging of each tower
- Shipment to the sites
- Tower erection & painting

Our Manufacturing Unit

Our manufacturing unit has received ISO 9001:2000 certification from JAS-ANZ and ISO 14001:2004 from Quest International in the year 2008. Our manufacturing facility is spread over an area of 3,08,061 sq ft and is located at Survey no 82,83,92-95 and 107, Athevelly village, Medchal, Andhra Pradesh which is located on National Highway-7, about 25 km from Hyderabad and has an annual capacity to manufacture of 36,000 MT of towers.

Machinery

The manufacturing facilities of the Company consists of modern fabrication machines, hydraulic machines, shearing machines, EOT cranes for material handling, heavy-duty radial drilling machines, mechanical power presses and a galvanizing plant.

Raw Material

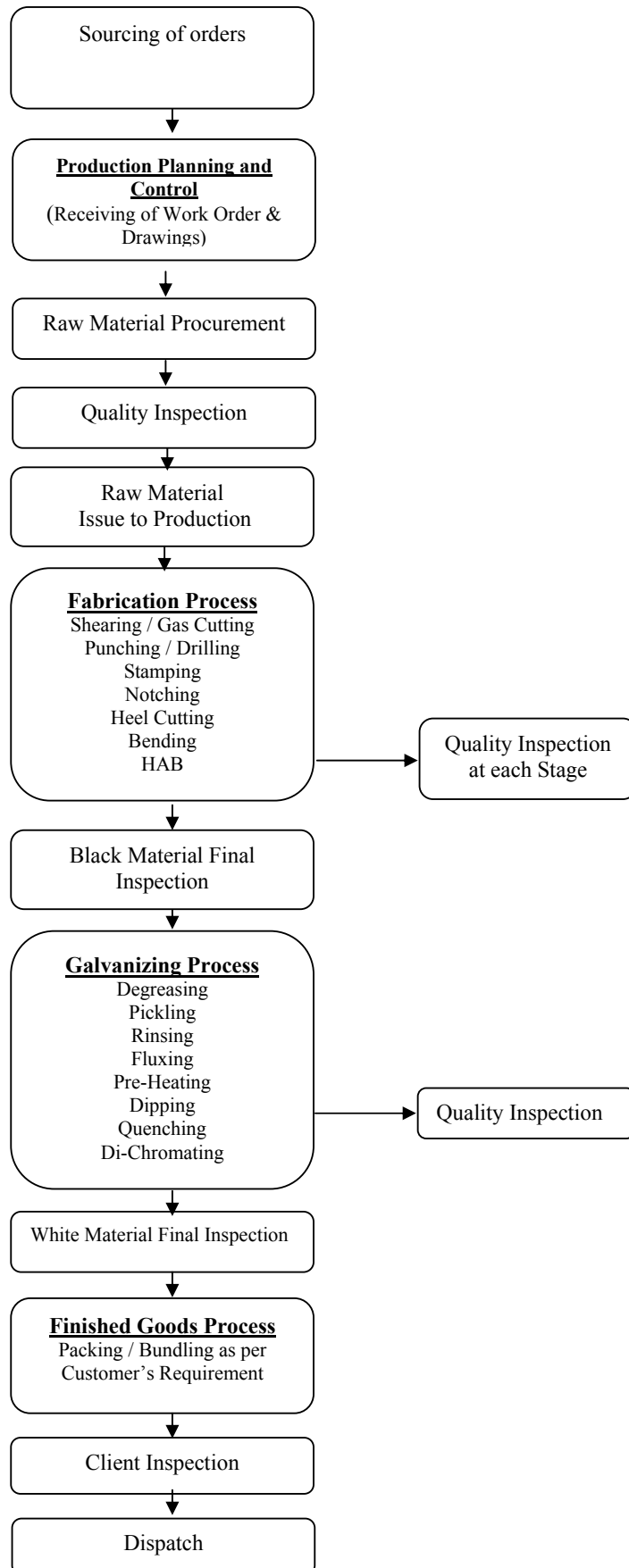
The main raw materials required for fabrication of towers are angles, channels, rounds, pipes and plates of various specifications and sizes, fasteners and zinc. The raw materials are procured from various rolling mills located in and around Hyderabad, Nagpur and Raipur. Procuring raw material is not a constraint due to the relationship, skill and experience of the promoters in this field for more than a decade.

We propose to set up a rolling mill with an annual installed capacity of 90,000 MT to act as a feeder to our manufacturing process, the plant is expected to be commissioned and running by February 2009. This plant will help us in strategic backward integration by increasing operational flexibility, thereby enabling us to manufacture structural steel, which is used as a raw material, Thereby making the Company less dependent on suppliers, as the plant would provide high quality raw material at lower cost and improve our operating margins. With setting up of this plant we would become a fully integrated player and would be carrying out most of the operations in-house.

Manufacturing Process

The manufacturing process involves the following steps:

Flowchart depicting entire manufacturing process:



Detailed Manufacturing Process

1. Designing & preparation of drawings

The in house engineering team makes necessary designs as per the requirement of the customers after considering topographical conditions like soil and wind. After the design is complete, the tower line diagram is translated into a structural assembly drawing which gives complete details of joints, member sizes and bolt gauge lines, size and lengths of bolts, washers, first and second slope dimensions, etc. A more detailed drawing is then prepared for all the individual members from the structural assembly drawing. These are called shop or fabrication drawings. The shop drawings for joints/connections and individual members should be prepared in a systematic manner and should have a correct index or key. The drawings give complete details of joints, bolt gauge lines, sizes and lengths of bolts, washers, first and second slope dimensions etc.

2. Fabrication

Tower to be fabricated shall be reasonably straight, free from rust, scales and pitting. Various operations performed in fabrication of towers are as follows:

a. Straightening

Before any other work or cutting is started, all steel sections shall be carefully straightened and trued up by pressure. These sections shall again be trued up after being fabricated. For angle sections up to 100x100x8 mm sizes, roller strengtheners are used while for angles over 100x100x8 mm size, hammer strengtheners are employed.

b. Bending

Bending is to be done on the hot raw material. The process of bending involves:

i. Cropping, Shearing, Gas Cutting

All cut ends of angles are clean square and free from any distortion and shaped as per drawing. All burns at the edges are removed. Cropping/cutting is normally done after straightening /bending is over. Cropping and shearing is done on sections up to 12 mm thick and Sections with thickness over 12 mm are sawn/gas cut.

ii. Punching and drilling

Bolt holes are punched or drilled to sizes. Punching is done on sections upto 12 mm thick and drilling is done on sections having thickness of over 12 mm. Universal machine and single operation punching machine are used for punching while 1-M-arm and 2-M-arm heavy radial drilling machine are used for drilling.

iii. Marking

Identification mark is marked on each member by stenciling and de-punching with dies of 16 mm size.

3. Galvanization

The fabricated tower parts are moved to galvanizing section in order to impart anti corrosion characteristics. A firm coat of zinc is given on the surface which provides cathodic protection to the less active iron. Zinc coating is preferred for the protection of structural iron in steel instead of any other metallic coating due to its ease of application and also due to the fact that the residual corrosion products become basic in character and exert a retarding influence on further resolution. Tower members, bolts, nuts, fittings are hot dip galvanized except spring washers which are electro galvanized. Before galvanizing, the steel sections are thoroughly cleaned of any paint, grease, rust, and such foreign matters as they are likely to interfere with the galvanizing process or with the quality or durability of the zinc coating. The pre-cleaning of steel sections is done by degreasing and pickling process followed by rinsing and fluxing. Galvanizing of each member is carried out in one complete immersion. The galvanizing bath is reasonably free from dross, and the steel is dipped in the molten zinc in such a manner that it does not come in contact with the dross which might have collected at the bottom of bath. The excess zinc or globules from the steel surface is removed by "bumping". Defective galvanized steel sections requiring re galvanizing would have the zinc coating entirely removed by suitable acid treatment without damaging the steel surface and re-galvanized only after proper pickling.

4. Packaging and Dispatch

We carry out final inspection for the galvanized material and segregate the material tower wise. Each tower material is packed as per customers' requirement. After final customer inspection the tower is dispatched.

In-house lab & testing facilities

As we adhere to stringent quality control, we test our products at various stages. Our lab and testing facilities conform to and meet the latest stringent Indian and international standards. We have installed various machines which test for our quality assurance.

Utilities

Power

The current sanctioned load is 500 KVA by AP State electricity board and the utilisation is 80 % of the sanctioned load with a 125 KVA DG back up.

For the process of manufacturing of towers the load requirement is high, especially in the process of fabrication and welding. Therefore, keeping all these factors in consideration and knowing well that state owned electricity generation would not meet our process requirements, we have always made arrangements for captive power generation through generator sets and which are equipped with voltage stabilizers.

Water

The requirement of water is approximately 6 klpd. The Company has own bore wells to meet the water requirement. The water is available in abundance because of these bore wells.

Effluent Treatment Plant

The corrosive nature of chemicals used by galvanizing Industry creates high cost environmental hazards. An exhaust system has been provided, which consists of exhaust air scrubber, centrifugal fan, ducting and hood, pumps, chimney and pH control units and all components are made from corrosion resistant thermoplastic materials. The tanks are provided with a fume extraction system for evacuating the corrosive acid fumes from the manufacturing and is scrubbed in scrubbing liquid.

Our Turnkey Solutions Division:

We have recently involved ourselves in providing turnkey solutions to different telecom operators like Reliance Infrastructure Limited, Wireless- TT Info Services Limited and Ericson India Private Limited. Our turnkey solutions division include the following services:

- Radio Frequency Planning and Transmission Survey: We undertake Radio Frequency planning for the operator in order to provide maximum coverage and mobility to the subscribers and provide full utilization of Base Transceiver Station Site
- Site Identification & Acquisition: Following the Radio Frequency Planning and Survey, the ideal locations for the cell-sites are identified and then acquired to build the site.
- Site Clearances: This involves the approvals from the Government agencies before the actual build up of the site. The clearances are majorly done by operators, however the liaisoning sometimes is outsourced to transmission survey providers.
- Site Design: This includes site layout for the positioning of the various elements on site like Tower, Shelter and DG and further includes the positioning of elements in the shelter like that of Base Transceiver Station, AC, Battery Bank, Power Plant etc.
- Project Management & Control: Project Management includes the site build up and managing all the activities on site. The activities are controlled in order to meet the roll out schedule and quality.

- **Equipment Procurement & Supply:** This includes procurement and supply of the passive elements as may be required.
- **Infrastructure Installation (Civil, Electrical & Tower Erection):** This involves all the activities to prepare the identified cell – site on ground as well as roof top like excavation, bar bending, shuttering, fencing etc.
- **Tower Erection:** This involves erecting tower and painting it may involve installation of pole mounts, horizontal cable trays, etc.
- **Technology Integration:** Under this Microwave, Base Transceiver Station, Base Station Controller & Mobile Switching Centre installation are included in the Technology Integration.
- **Managed Services:** Includes monitoring operation and maintaining the network
- **Radio Frequency optimisation:** Under Radio Frequency optimization we investigate and analysis the existing Radio Frequency plan, carry out cell site audits, check capacity and loading of towers etc.

As a turnkey solutions provider to the power sector we execute power transmission and sub-station projects on turnkey basis which includes supply of materials, installation, erection and commissioning. The work to be carried out for transmission projects are preliminary survey, route alignment, detail survey, check survey, classification of soil (for type of foundation to be used), construction of foundation, erection of towers, stringing of line, earthing, fixing of accessories, testing and commissioning of line. Presently we are executing projects for APTransco.

Scope of a turnkey contract includes the following:

- **Preliminary Survey** – this involve undertaking survey of the proposed route and identifying the shortest possible route.
- **Route Alignment** – on completion of preliminary survey, drawing of tower alignment is done keeping all the technical specifications and standards in consideration.
- **Detail and Check Survey** – in this stage mapping of existing ground levels with proposed height of the tower is finalized giving the precise details, heights of various tower that need to be manufactured as per the specification and standards of the contract. Finally marking is done of ground of the transmission line route for excavation and construction of foundations required for the tower erection.
- **Classification of soil (for type of foundation required)** – classification is given in the contract by the customer for different type of soil.
- **Construction of foundation** - based on soil condition foundation is laid as per drawing and customers specification.
- **Erection of transmission line towers** – After completion of foundation and sufficient curing period the towers are erected at the designated areas.
- **Stringing of power line between towers** – After completion of erection of transmission towers and installation of hardware and insulators, stringing of power line conductor wire takes place.
- **Earthing and fixing of accessories** – Finally earthing and fixing of other accessories are done before testing.
- **Testing and commissioning of transmission line.**

The following table provides details of our existing and proposed capacities:

Product	Particulars	FY07*	FY08	FY09	FY10
Telecommunication and Transmission line tower	Installed Capacity	36,000	36,000	1,20,000	2,40,000

	Capacity Utilization	657	24,034	39,300	1,15,200
	Utilization (%)	1.8%	66.7%	32.75%	48%
Rolling Mill	Installed Capacity			90,000	90,000
	Capacity Utilization			3,750	67,500
	Utilization (%)			4.17%	75%

**Our Plant was operational from February 2007*

Our Steel Trading Division:

Our Company has a steel trading division which mainly trades in steel used as raw material in tower manufacturing. Our Company is procuring steel products from various rolling mills and steel manufacturers based in Andhra Pradesh, and Maharashtra and selling them to various tower manufacturers located in and around Hyderabad and Nagpur. Our Company has chalked out a program to focus totally on tower manufacturing and phase out its trading operations gradually over of the next two- three years. Our Company intends to phase out its steel trading operations gradually and focus only on manufacturing of telecom and power transmission tower and providing turnkey solutions.

Current Order Book and completed orders

As on September 15, 2008 our current order book for telecommunication and power transmission towers stood at Rs 5,458 lacs for supply of 8,403 MT of towers. Our major clients include India Telecom Infrastructure Limited, ACME Power Systems Limited, TT Info Services Limited, Essar, Vodafone. Reliance, Indus Towers Limited, GTL Limited etc.

Selling and Marketing

In July 2007, we established a team to focus on establishing new clients by approaching potential customers to procure their acceptance, to make a prototype tower based on their design and specifications. Upon approval of prototype we offered these towers for inspection after erecting and painting it on the site allocated by the client. This enabled potential customers to experience the quality of our towers and services.

To cater to the needs of service operators we procure orders through a two stage process. In the first stage, we submit bids to provide towers and solutions in response to requests for proposals from wireless telecommunications operators. We price our towers and solutions on the basis of discussions with potential customers regarding their tower specifications and quantity requirements. If we are successful in the bidding process, we are short listed as a tower supplier and solutions provider and proceed to execute rate contracts with customers.

At the second stage, circle level managers of the various wireless telecommunications operators issue orders to us on a quarterly basis for the quantities to be supplied by us to them as per their monthly roll out plans.

For supply of power transmission towers and turnkey solutions we bid for tenders either individually or jointly depending on the eligibility criteria of the project

Our pan India presence enables us to procure repetitive orders and also helps us maintain a cordial relationship with our clients, at their circle offices. We have a strong customer services team which seeks to provide efficient and productive communication between the customers and our Company. We emphasize responsiveness to customers and believe a high uptime is the key to customer retention. We work to achieve customer satisfaction in both our towers supply and the turnkey services division by adopting quality control procedures at every stage.

Customers

Our clients include Vodafone, Essar Telecom Infrastructure Limited, Bharti Infrastructure Limited, Acme Tele Power Limited, India Telecom Infrastructure Limited, Reliance Communications Limited, Wireless- TT Info Services Limited, Idea Cellular Limited, Ericsson India Private Limited Global Tele Limited, Indus Towers Limited, Huawei Telecommunication Private Limited, Andhra Pradesh State Electricity Board. We participate in the bidding process for tenders floated by the State Electricity Boards and for our other clients, we approach them directly.

Certifications

We have received the following certifications:

We have been accredited ISO 9001:2000 in 2007 by JAS-ANZ and ISO 14001:2004 by Quest International in the year 2008 for our Factory.

Insurance Coverage

We have insurance coverage, to cover all normal risks associated with the operations of the business. The insurance covers the entire plant and machinery and inventories of our manufacturing plant. We believe that our current levels of insurance coverage are in line with industry norms in India.

Human Resources

The manufacturing of telecommunication and power transmission towers is a labour intensive process. This industry demands very specialized skilled human resources in some of the key processes. Thus, we have a combination of such trained and talented manpower with us. Further, we are creating such force to take up the challenges at the new forthcoming units.

In view of this basic premise, a comprehensive set of policies are laid down. Our HR policies aim at attracting, retaining and motivating the best talent to achieve higher goals and attain greater opportunities for the advancement in their business career.

We maintain separate professional teams created from within the industry for securing, servicing and executing projects both in telecommunication as well as power transmission.

Recruitment

Our Company's recruitment policy is to attract the best talent at the Induction level and after familiarization with the company, offer them a fair and open field for development and growth purely on performance and business success.

Training

Human resources have been recognized as a very important resource of our Company. The training policy is geared towards enabling the individual employee to enhance his / her capability, at the same time contributing towards the Company's growth and achievement of other corporate objectives.

In order to improve organizational efficiency and effectiveness, the necessary skills will be imparted within the organization through a combination of organizational development and training and development activities.

Employee Retention and Care

We strive to promote a feeling of well being in our employees through care and respect. We have several structured processes including employee monitoring, grievance management and corporate ethics program's which are intended to facilitate a friendly and cohesive organizational culture. We have created an environment, which promotes an open community culture among our employees.

Compensation and Performance Management

Our compensation policy is performance based and we believe it is competitive with industry standards in India. Our compensation packages are adjusted annually based on industry salary correction, compensation surveys and individual performance. We believe in offering compensation commensurate with responsibilities, performance and achievements.

The following table sets out the break-up of our employees categorized by our various locations and job functions as of August 31, 2008:

Particulars	Permanent	Contract	Total Staff
Registered office	63	10	73
Circle office	100	-	100
Present Factory			

Medchal, Hyderabad(Unit I)	146	475	621
Proposed Factories			
Medchal,Hyderabad TLT Plant(Unit II)	150	700	850
Medchal, Hyderabad Rolling Plant (Unit II)	60	100	160
Medchal,Hyderabad TLT Plant(Unit III)	175	800	975
Total	694	2085	2779

Property

Registered and corporate office: Our registered and corporate office is located at 504, 5th Floor, Road No 2, Trensdet Towers, Banjara Hills, Hyderabad, Andhra Pradesh.

Offices: We have eight circle offices as of date of the Draft Red Herring Prospectus.

Details of properties of the Company

Location	Status (owned /leased)	Use
504, 5 th Floor, Road No 2, Trensdet Towers, Banjara Hills, Hyderabad, Andhra Pradesh.	Leased	Registered office and Corporate Office
Survey no 82,83,92-95 and 107, Athevelly village, Medchal,Andhra Pradesh	Owned	Manufacturing plant

In addition our companies has purchased the following land for setting up our new plants

Location	Status (owned /leased)	Use
Survey no 41, Majidpally village, Medak,Andhra Pradesh	Owned	Manufacturing plant

Details of agreements

The Company has entered into joint ventures with various parties for meeting the pre-qualification criteria for submission of bids for the execution of projects for manufacturing and supply of telecommunication and power transmission towers and also for providing turnkey services to telecommunication and power transmission companies:

Details of joint bidding arrangements:

- 1. Joint Venture Agreement dated April 21, 2008 (“the Agreement”) between BS TransComm Limited (“our Company”) and Dura-Fabs (“Partner”), together hereinafter referred to as “the Parties” and individually as the “Party”.**

Our Company had entered into this Agreement with the Partner for the purposes of preparing and submitting a bid and entering into a contract (in case the Contract is awarded) for the supply, erection, testing and commissioning of a 132 KV lilo to 220/132 KV Kamardeey Sub Station from existing 132 KV Kamareddy Domamkonda Line in the Nizamabad District on turnkey basis (“the **Project**” or “the **Contract**”) with the Transmission Corporation of Andhra Pradesh Limited (“**Client**”).

Pursuant to a power of attorney (“PoA”) dated March 8, 2008, as required under the terms of the tender, our Company has been appointed as an “Authorised Representative”. As per the terms of the PoA, our Company shall ensure performance of the Contract. However, if one of the Parties fails to perform their respective portions of the Contracts, the same shall be deemed to be a default by all the Parties.

The PoA shall remain valid and binding till the completion of the warranty period, as out in the terms of the Agreement, detailed below.

The bid has been submitted to the Client pursuant to a proposal dated April 22, 2008. Pursuant to a letter of intent dated July 31, 2008, the Transmission Corporation of Andhra Pradesh has awarded the Contract to the Joint Venture, on the following terms:

- a. The consideration for the Contract is Rs. 469.28 lacs
- b. Price variation on tower parts, upto maximum ceiling of 30% on the higher side and no ceiling on the lower side, over and above the quoted price, would be allowed.
- c. The Parties has furnished a bank guarantee for 10% of the contract value towards performance security. This performance security shall be forfeited if the Parties fail to fulfill the terms of the Contract.
- d. Payments shall be made by the Client upto 90% of the monthly bills at the rates provided in the letter of intent for the items of work done in a month. Out of the balance 10%, 5% shall be released after the completion of all the works. The final 5% payment will be released after completion of the guarantee period or on submission of a bank guarantee for the equivalent amount, valid for the guarantee period, alongwith two months claim period.
- e. The activities pertaining to the Project are to be completed by the Parties in six months from the date of commencement of the works.

The Parties and the Client has entered into an agreement dated August 6, 2008 which records the terms of payment, which mirrors the terms set out in the letter of intent and the terms for supply of materials and equipments.

2. **Joint Venture Agreement dated March 8, 2008 (“the Agreement”) between BS TransComm Limited (“our Company”) and Dura-Fabs (“Partner”), together hereinafter referred to as “the Parties” and individually as the “Party”.**

Our Company had entered into this Agreement with the Partner for the purposes of preparing and submitting a bid and entering into a contract (in case the Contract is awarded) for the construction of a 132 KV transmission line on turnkey basis (“the **Project**” or “the **Contract**”) with the Transmission Corporation of Andhra Pradesh Limited (“**Client**”). The Client has invited bids for the supply, transport, construction, erection, testing and commissioning for the 132 kv transmission line on turnkey basis.

Pursuant to a power of attorney (“PoA”) dated April 22, 2008, our Company has been appointed as an “Authorised Representative”. As per the terms of the PoA, our Company shall ensure performance of the Contract. However, if one of the Parties fails to perform their respective portions of the Contracts, the same shall be deemed to be a default by all the Parties.

The PoA shall remain valid and binding till the completion of the warranty period, as out in the terms of the Agreement, detailed below.

The bid has been submitted to the Client pursuant to a proposal dated March 10, 2008. Pursuant to a letter of intent dated June 19, 2008, the Transmission Corporation of Andhra Pradesh has awarded the Contract to the Joint Venture, on the following terms:

- a. The consideration for the Contract is Rs. 181.44 lacs
- b. Price variation on tower parts upto maximum ceiling of 30% on the higher plus side and no ceiling on the lower side, over and above the quoted price, would be allowed
- c. Materials supplied by the Parties and material issued by the Client shall be insured for transit and erection risks upto 30 days storage after their arrival at the site and all insurance premium shall be borne by the Parties.
- d. The Parties has furnished a bank guarantee for 10% of the contract value towards performance security. This performance security shall be forfeited if the Parties fail to fulfill the terms of the Contract.
- e. Payments shall be made by the Client upto 90% of the monthly bills at the rates provided in the letter of intent for the items of work done in a month. Out of the balance 10%, 5% shall be released after the completion of all the works. The final 5% payment will be released after

completion of the guarantee period or on submission of a bank guarantee for the equivalent amount, valid for the guarantee period, alongwith two months claim period.

The Parties and the Client has entered into an agreement dated August 6, 2008 which records the terms of payment, which mirrors the terms set out in the letter of intent and the terms for supply of materials and equipments.

3. **Joint Venture Agreement dated May 14, 2008 (“the Agreement”) between BS TransComm Limited (“our Company”) and Bhavani Electricals (“Partner”), together hereinafter referred to as “the Parties” and individually as the “Party”.**

Our Company had entered into this Agreement with the Partner for the purposes of preparing and submitting a bid and entering into a contract (in case the Contract is awarded) for the construction of a 132 KV transmission line and 132 KV on turnkey basis (“the **Project**” or “the **Contract**”) with the Transmission Corporation of Andhra Pradesh Limited (“**Client**”). The Client has invited bids for the supply, transport, construction, erection, testing and commissioning for the 132 kv RTSS at Vikarabad and the 132 kv Lilo to Vikarabad RTSS from existing 132 kv Dharmasagar – Parigi Line in the R R District on turnkey basis.

Pursuant to a power of attorney (“PoA”) dated May 14, 2008, our Company has been appointed as an “Authorised Representative” for the purposes of undertaking the following on behalf of the Parties:

- a. Submission of a proposal and participate in the bidding specification of the Client on behalf of the Parties
- b. Negotiations with the Client in relation to the terms and conditions for the award of the Contract pursuant to the bid and to sign the Contract with the Client for an on behalf of the Parties
- c. In order to do any other act or submit any documents in relation to the above
- d. To receive, accept and execute the Contract for and on behalf of the Parties

As per the terms of the PoA, our Company shall ensure performance of the Contract. However, if one of the Parties fails to perform their respective portions of the Contracts, the same shall be deemed to be a default by all the Parties.

The PoA shall remain valid and binding till the completion of the warranty period, as detailed below.

The bid has been submitted to the Client pursuant to a proposal dated May 14, 2008. Pursuant to a letter of intent dated August 11, 2008, the Transmission Corporation of Andhra Pradesh has awarded the Contract to the Joint Venture. The consideration for the execution of the Project is Rs. 450.47 lacs. The Client has clarified that a detailed order shall be sent later.

4. **Joint Venture Agreement dated May 14, 2008 (“the Agreement”) between BS TransComm Limited (“our Company”) and Bhavani Electricals (“Partner”), together hereinafter referred to as “the Parties” and individually as the “Party”.**

Our Company had entered into this Agreement with the Partner for the purposes of preparing and submitting a bid and entering into a contract (in case the Contract is awarded) for the construction of a 132 KV transmission line and 132 KV on erection basis (“the **Project**” or “the **Contract**”) with the Transmission Corporation of Andhra Pradesh Limited (“**Client**”). The Client has invited bids for the supply, transport, construction, erection, testing and commissioning for the 132 kv substation at Editha and the connected 132 kv Lilo line from 132 kv Bommur – Ramchandrapur line to the proposed 132 kv SS at Editha. The period for completion of the Project was set at 12 months, as per the terms of the tender.

The bid has been submitted to the Client pursuant to a proposal dated May 14, 2008. Pursuant to a letter of intent dated August 14, 2008, the Transmission Corporation of Andhra Pradesh has awarded the Contract to the Joint Venture. The consideration for the execution of the Project is Rs. 273.93 lacs. A detailed order would be entered into separately between the Parties and the Client at a later stage.

Pursuant to a power of attorney (“PoA”) dated May 14, 2008, our Company has been appointed as an “Authorised Representative” for the purposes of undertaking the following on behalf of the Parties:

- a. Submission of a proposal and participate in the bidding specification of the Client on behalf of the Parties

- b. Negotiations with the Client in relation to the terms and conditions for the award of the Contract pursuant to the bid and to sign the Contract with the Client for an on behalf of the Parties
- c. In order to do any other act or submit any documents in relation to the above
- d. To receive, accept and execute the Contract for and on behalf of the Parties

As per the terms of the PoA, our Company shall ensure performance of the Contract. However, if one of the Parties fails to perform their respective portions of the Contracts, the same shall be deemed to be a default by all the Parties.

The PoA shall remain valid and binding till the completion of the warranty period, as detailed below.

5. Joint Venture Agreement dated July 25, 2008 (“the Agreement”) between BS TransComm Limited (“our Company”) and Bhavani Electricals (“Partner”), together hereinafter referred to as “the Parties” and individually as the “Party”.

Our Company had entered into this Agreement with the Partner for the purposes of preparing and submitting a bid and entering into a contract (in case the Contract is awarded) for the construction of a 132 KV transmission line on turnkey basis (“the **Project**” or “the **Contract**”) with the Transmission Corporation of Andhra Pradesh Limited (“**Client**”). The Client has invited bids for the supply, transport, construction, erection, testing and commissioning for the 132 kv transmission lines on turnkey basis in Medak district.

The bid has been submitted to the Client pursuant to a proposal dated July 25, 2008.

Pursuant to a power of attorney (“PoA”) dated July 25, 2008, our Company has been appointed as an “Authorised Representative” for the purposes of undertaking the following on behalf of the Parties:

- a. Submission of a proposal and participate in the bidding specification of the Client on behalf of the Parties
- b. Negotiations with the Client in relation to the terms and conditions for the award of the Contract pursuant to the bid and to sign the Contract with the Client for an on behalf of the Parties
- c. In order to do any other act or submit any documents in relation to the above
- d. To receive, accept and execute the Contract for and on behalf of the Parties

As per the terms of the PoA, our Company shall ensure performance of the Contract. However, if one of the Parties fails to perform their respective portions of the Contracts, the same shall be deemed to be a default by all the Parties.

The PoA shall remain valid and binding till the completion of the warranty period, as detailed below.

6. Joint Venture Agreement dated July 15, 2008 (“the Agreement”) between BS TransComm Limited (“our Company”) and Zephyr System Private Limited (“Partner”), together hereinafter referred to as “the Parties” and individually as the “Party”.

Our Company had entered into this Agreement with the Partner for the purposes of preparing and submitting a bid against the specification ITI/ GSM/ 2008 – 09/ 01/ 9M/ BSNL dated July 18, 2008 for the design, supply, installation and commissioning of GBT’s Phase 5 for 9 million BSNL West Zone and entering into an agreement (in case the Contract is awarded) (“the **Project**” or “the **Contract**”) with ITI Limited Limited (“**Client**”). The bid has been submitted to the Client pursuant to a proposal dated August 7, 2008.

The Parties have agreed that in the event the Contract is awarded to the joint venture, then the said Contract would be awarded in the name of our Company.

7. Joint Venture Agreement dated July 25, 2008 (“the Agreement”) between BS TransComm Limited (“our Company”) and Zephyr System Private Limited (“Partner”), together hereinafter referred to as “the Parties” and individually as the “Party”.

Our Company had entered into this Agreement with the Partner for the purposes of preparing and submitting a bid against the specification ITI/ GSM/ 2008 – 09/ 07/ 9M dated July 30, 2008 for the design, supply, installation and commissioning of GBT’s Phase 5 for 9 million BSNL West Zone and entering into an

agreement (in case the Contract is awarded) (“the **Project**” or “the **Contract**”) with ITI Limited (“**Client**”). The bid has been submitted to the Client pursuant to a proposal dated August 7, 2008.

The Parties have agreed that in the event the Contract is awarded to the joint venture, then the said Contract would be awarded in the name of our Company.

7. **Collaborator Agreement dated May 27, 2008 between BS TransComm Limited (“Contractor”) and Dura-Fabs (“Collaborator”), together hereinafter referred to as “the Parties” and individually as the “Party”**

The Contractor had entered into this Agreement with the Collaborator for the purposes of preparing and submitting a bid and entering into a contract for the construction of a 132.50 kms of 33 kv S.C. link lines to various 33/11kv substations in Gulbarga District using 9.5 meters RCC Poles and Coyote Conductors (“the **Project**” or “the **Contract**”) for the Gulbarga Electricity Supply Company Limited (“**Client**”).

The Parties have entered into a power of attorney dated may 24, 2008 whereby the Parties have appointed our Company as the Authorised Representative to undertake the following acts:

- a. To submit a proposal and participate in the bid specification
- b. To negotiate with the Client on the terms and conditions including the price for the award of the Contract
- c. To do any other act or submit any other document in relation to the above.

The bid has been submitted to the Client pursuant to a proposal dated May 27, 2008.

Terms of the Joint Venture

1. The Parties have agreed to be jointly and severally responsible for the successful completion of the Contract.
2. The Collaborator has agreed to depute their technical experts from time to time to the Contractor’s works or the Client’s project site as mutually considered necessary by the Contractor or the Client. The Collaborator shall ensure the proper design, manufacture, testing and the successful performance of the equipment under the Contract in accordance with the specifications stated in the Contract.
3. The financial liability of the Collaborator towards the Client with respect to any or all of the claims arising out of the performance or non-performance of the obligations set out in this Agreement read in terms with the provisions of the Contract shall be limited to the extent of 100% of the value of the entire scope of work of the Collaborator as identified in the Contract or 10% of the value of the Contract awarded by the Client to the Contractor, whichever is higher.
4. The Parties have agreed that they shall be jointly and severally responsible for furnishing a performance security in favour of the Client, which shall be equal to 10% of the value of the entire scope of work of the Collaborator as identified in the Contract.

Details of our technical collaborator

1. Dura-Fabs

Dura-Fabs is a proprietary concern formed in 1991 and has its place of business located at 6-3-1219/1/1/1, Umanagar, Begumpet, Hyderabad – 16. Dura-Fabs specializes in the execution of turnkey contracts for system engineering, supply, installations, testing and commissioning of transmission lines, substations and lift irrigation schemes. It also specializes in the designing, fabrication, supply and galvanization of towers, process designing and system designing.

The turnover of Dura-Fabs for the last year of operation is Rs. 396.26 lacs.

REGULATIONS AND POLICIES

We are primarily engaged in the business of designing, fabrication and erection of telecommunication and transmission towers and trading in iron, steel and related products.

For the purposes of carrying on the aforementioned businesses, we are amenable to the following legislations:

Labour Laws

India has stringent labour related legislation. We are required to comply with certain labour and industrial laws, which includes the Industries (Development and Regulation) Act, 1951, Industrial Disputes Act 1947, the Employees' Provident Funds and Miscellaneous Provisions Act 1952, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, Workmen Compensation Act, 1923, the Payment of Gratuity Act, 1972, the Payment of Wages Act, 1936 and the Factories Act, 1948, amongst others.

Factories Act, 1948

The Factories Act, 1948 ("**Factories Act**") defines a 'factory' to cover any premises which employs ten or more workers and in which manufacturing process is carried on with the aid of power and covers any premises where there are at least 20 workers who may or may not be engaged in an electrically aided manufacturing process. Each State Government has rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that the occupier of a factory, *i.e.* the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers' health and safety, cleanliness and safe working conditions. Persons who design, manufacture, import or supply articles for use in a factory must ensure the safety of the workers in the factory where the articles are used. If the safety standards of the country where the articles are manufactured are above Indian safety standards, the articles must conform to the relevant foreign standards. There is a prohibition on employing children below the age of fourteen years in a factory. If there is violation of any provisions of the Factories Act or rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment for a term up to two years and/or with a fine up to Rs.100,000 or both, and in case of such violation continuing after conviction, with a fine of up to Rs.1,000 per day of violation. In case of a contravention which results in death or serious bodily injury, the fine shall not be less than Rs.25,000 in the case of an accident causing death, and Rs.5,000 in the case of an accident causing serious bodily injury. In case of contravention after a prior conviction, the term of imprisonment increases up to three years and the fine would be Rs.300,000 and in case such contravention results in death or serious bodily injury the fine would be a minimum of Rs.35,000 and Rs.10,000, respectively.

The Employees State Insurance Act, 1948

The Employees State Insurance Act 1948, ("**ESI Act**") provides for certain benefits to employees in case of sickness, maternity and employment injury.

The ESI Act extends to the whole of India. It applies to all factories (including government factories but excluding seasonal factories) employing ten or more persons and carrying on a manufacturing process with the aid of power or employing 20 or more persons and carrying on a manufacturing process without the aid of power and such other establishments as the Government may specify.

A factory or other establishment, to which the ESI Act applies, shall continue to be governed by its provisions even if the number of workers employed therein falls below the specified limit or the manufacturing process therein ceases to be carried on with the aid of power, subsequently.

The ESI Act does not apply to the following:

- i. Factories working with the aid of power wherein less than 10 persons are employed;
- ii. Factories working without the aid of power wherein less than 20 persons are employed;
- iii. Seasonal factories engaged exclusively in any of the following activities viz. Cotton ginning, cotton or jute pressing, decortication of groundnuts, the manufacture of coffee, indigo, lacs, rubber, sugar (including gur.) or tea or any manufacturing process incidental to or connected with any of the aforesaid activities, and including

- factories engaged for a period not exceeding seven months in a year in blending, packing or repackaging of tea or coffee, or in such other process as may be specified by the Central Government;
- iv. A factory which was exempted from the provisions of the Act as being a seasonal factory will not lose the benefit of the exemption on account of the amendment of the definition of seasonal factory;
- v. Mines subject to the Mines Act, 1952;
- vi. Railway running sheds;
- vii. Government factories or establishments, whose employees are in receipt of benefits similar or superior to the benefits provided under the Act and Indian naval, military or air forces.

The appropriate Government may exempt any factory or establishments or class of factories or establishments or any employee or class of employees from the provisions of the ESI Act. Every employee (including casual and temporary employees), whether employed directly or through a contractor, who is in receipt of wages upto Rs. 10,000 per month is entitled to be insured under the ESI Act. However, apprentices engaged under the Apprentices Act are not entitled to the ESI benefits. Coverage of part time employees under the ESI Act will depend on whether they have contract of service or contract for service with the employer. The former is covered whereas the latter are not covered under the ESI Act.

Payment of Gratuity Act, 1972

Under the Payment of Gratuity Act, 1972 (the “**Gratuity Act**”), an employee in a factory is deemed to be in ‘continuous service’ for a period of at least 240 days in a period of 12 months or 120 days in a period of six months immediately preceding the date of reckoning, whether or not such service has been interrupted during such period by sickness, accident, leave, absence without leave, lay-off, strike, lock-out or cessation of work not due to the fault of the employee. An employee who has been in continuous service for a period of five years will eligible for gratuity upon his retirement, superannuation, death or disablement. The maximum amount of gratuity payable shall not exceed Rs.350,000.

Payment of Bonus Act, 1965

Under the Payment of Bonus Act, 1965 (the “**Payment of Bonus Act**”) an employee in a factory who has worked for at least 30 working days in a year is eligible to be paid bonus. ‘Allocable surplus’ is defined as 67% of the available surplus in the financial year, before making arrangements for the payment of dividend out of profit of the Company. The minimum bonus to be paid to each employee is 8.33% of the salary or wage or Rs.100, which ever is higher, and must be paid irrespective of the existence of any allocable surplus. If the allocable surplus exceeds minimum bonus payable, then the employer must pay bonus proportionate to the salary or wage earned during that period, subject to a maximum of 20% of such salary or wage. The maximum bonus payable must not exceed Rs.500. Contravention of the Act by a company will be punishable by proceedings for imprisonment up to six months or a fine up to Rs.1,000 or both against those individuals in charge at the time of contravention of the Payment of Bonus Act.

Minimum Wages Act, 1948

The State Governments may stipulate the minimum wages applicable to a particular industry. The minimum wages generally consist of a basic rate of wages, cash value of supplies of essential commodities at concession rates and a special allowance, the aggregate of which reflects the cost of living index as notified in the Official Gazette. Workers are to be paid for overtime at overtime rates stipulated by the appropriate State Government. Any contravention may result in imprisonment of up to six months or a fine of up to Rs.500.

Workmen’s Compensation Act, 1923

If personal injury is caused to a workman by accident during employment, his employer would be liable to pay him compensation. However, no compensation is required to be paid if the injury did not disable the workman for three days or the workman was at the time of injury under the influence of drugs or alcohol, or the workman willfully disobeyed safety rules. Where death results from the injury the workman is liable to be paid the higher of 50% of the monthly wages multiplied by the prescribed relevant factor (which bears an inverse ratio to the age of the affected workman, the maximum of which is 228.54 for a worker aged 16 years) or Rs.80,000. Where permanent total disablement results from injury the workman is to be paid the higher of 60% of the monthly wages multiplied by the prescribed relevant factor or Rs.90,000. The maximum wage which is considered for the purposes of reckoning the compensation is Rs.4,000.

Shops and Establishments legislations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

Environmental Laws

Manufacturing projects must also ensure compliance with environmental legislation such as the Water (Prevention and Control of Pollution) Act 1974 (“**WPA**”), the Air (Prevention and Control of Pollution) Act, 1981 (“**APA**”) and the Environment Protection Act, 1986 (“**EPA**”).

The WPA aims to prevent and control water pollution. This legislation provides for the constitution of a Central Pollution Control Board and State Pollution Control Boards. The functions of the Central Board include coordination of activities of the State Boards, collecting data relating to water pollution and the measures for the prevention and control of water pollution and prescription of standards for streams or wells. The State Pollution Control Boards are responsible for the planning for programmes for prevention and control of pollution of streams and wells, collecting and disseminating information relating to water pollution and its prevention and control; inspection of sewage or trade effluents, works and plants for their treatment and to review the specifications and data relating to plants set up for treatment and purification of water; laying down or annulling the effluent standards for trade effluents and for the quality of the receiving waters; and laying down standards for treatment of trade effluents to be discharged. This legislation debars any person from establishing any industry, operation or process or any treatment and disposal system, which is likely to discharge trade effluent into a stream, well or sewer without taking prior consent of the State Pollution Control Board.

The Central and State Pollution Control Boards constituted under the WPA are also to perform functions as per the APA for the prevention and control of air pollution. The APA aims for the prevention, control and abatement of air pollution. It is mandated under this Act that no person can, without the previous consent of the State Board, establish or operate any industrial plant in an air pollution control area.

The EPA has been enacted for the protection and improvement of the environment. The Act empowers the Central Government to take measures to protect and improve the environment such as by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and so on. The Central Government may make rules for regulating environmental pollution.

The Companies Act, 1956

The Companies Act deals with issue, allotment and transfer of securities and various aspects relating to company management. It provides for standard of disclosure in public issues of capital, particularly in the fields of company management and projects, information about other listed companies under the same management, and management perception of risk factors. It also regulates underwriting, the use of premium and discounts on issues, rights and bonus issues, payment of interest and dividends, supply of annual report and other information.

Foreign Exchange Management Act (“FEMA”) and the Regulations made thereunder:

Foreign investment in Indian securities is regulated by the Foreign Exchange Management Act, 1999 (“FEMA”). Under Section 6(3) (b) of FEMA, the RBI has the authority to prohibit, restrict or regulate the transfer or issue of any Indian security by a person outside India. The RBI has prescribed the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, pursuant to which the residents of India cannot undertake any transaction with persons outside India, sell, buy, lend or borrow foreign currency, issue or transfer securities to non-residents or acquire or dispose of any foreign security without the permission (general or special) of the RBI. In terms of regulations made under FEMA and circulars issued from time to time, the RBI has accorded general permission for a range of transactions, with and without monetary limits and other conditions and restrictions.

While the industrial policy and the RBI regulations prescribe 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/procedure in which such investment may be made. Under the industrial policy and the RBI regulations, unless specifically restricted, foreign investment is freely permitted in almost all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Foreign Investment Promotion Board

of the Government of India (“FIPB”) and the RBI. **As per current foreign investment policies, foreign direct investment in a manufacturing unit is allowed upto 100% under the automatic route.**

Fiscal Legislations

Our Company is subject to certain fiscal legislations such as the Income Tax Act, 1961, the Central Excise Act, 1944, the Customs Act, 1962 and The Central Sales Tax Act, 1956.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated under the Companies Act as a private limited company by the name of B.S. Steels and Minerals Private Limited pursuant to a certificate of registration no. 42375 of 2003-04 dated January 7, 2004.

On March 31, 2004, the Company took over B. S. Steels, a proprietary concern engaged in the business of trading in iron, steel and related products. The proprietor of B. S. Steels was Mr. Rajesh Agrawal.

On October 13, 2007, the Hon'ble High Court of Andhra Pradesh at Hyderabad approved the scheme of amalgamation ("Scheme") for the amalgamation of B.S. Integrated Steel Products Private Limited ("BSIS") with our Company. BSIS was promoted by Mr. Rajesh Agrawal and was engaged in the business of manufacture and trading of iron, steel and related products.

With effect from April 1, 2006, ("Appointed Date"), the entire business, assets and liabilities of BSIS was transferred to our Company. Pursuant to terms of the Scheme, the shareholders of BSIS were allotted Equity Shares of our Company in the ratio of 1:14.

On January 24, 2008, the name of our Company was changed to BS TransComm Private Limited pursuant to a fresh certificate of incorporation issued by the RoC, Hyderabad.

On February 7, 2008, our Company was converted to a public limited Company and the name of our Company was changed to BS TransComm Limited, pursuant to a fresh certificate of incorporation dated February 7, 2008, issued by the Registrar of Companies, Hyderabad.

Our Registered and Corporate Office is located at 504, Trendset Towers, Road No. 2, Banjara Hills, Hyderabad 500 034.

Major events in the history of our Company:

Year	Achievements
2004	B.S. Steels and Minerals Private Limited incorporated for the purposes of trading in steel products.
December 2006	B.S. Integrated Steel Products Private Limited ("BSIS"), a Group Company, sets up a tower manufacturing facility with a capacity for 36,000 MT at Survey No. 82, 83, 92 – 95 and 107, Athevelly Village, Medchal Mandal, R. R. District, Andhra Pradesh – 501 401.
December 2006	BSIS obtained ISO 9001 : 2000 Certification
October 2007	The High Court of Andhra Pradesh at Hyderabad approved the scheme of amalgamation ("Scheme") of BSIS with our Company. The entire business of BSIS along with all its assets and liabilities was transferred to our Company with effect from the appointed date. The appointed date of the Scheme was April 1, 2006. Pursuant to the Scheme, the shareholders of BSIS were issued Equity Shares in the ratio of 1:14 and BSIS was liquidated without winding up. Further details of the Scheme have been enumerated on page 92 of the Draft Red Herring Prospectus.
February 2007	Received our first order for the supply of telecommunication towers
February, 2008	Obtained ISO 14001 : 2004 Certification
March 2008	Bonus issue of 68,92,600 Equity Shares made to the then existing shareholders of the Company in the ratio of 1:1
2008	Achieved production of 24,034 MT of telecommunication and power transmission towers within the first year of commercial production.
	Received first order for turnkey services for power transmission from Transmission Corporation of Andhra Pradesh Limited
	Received first order for turnkey services for setting up of telecommunication towers

Changes in our Registered Office

Date of Change	From	To	Reasons for change
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February 27, 2004	Plot No.28, No. 103, “Trident Complex”, Vijayanagar Colony, Wellington Road, Picket, Secunderabad- 500 003 Andhra Pradesh	Masetty Plaza, 1-8-206, Second Floor, Prenderghat Road, Secunderabad – 500 003 Andhra Pradesh	Operational convenience
December 25, 2006	Masetty Plaza, 1-8-206, Second Floor, Prenderghat Road, Secunderabad – 500003 Andhra Pradesh	504, Trendset Towers, Road 2, Banjara Hills, Hyderabad – 500 034. Andhra Pradesh	Operational convenience

Our Main Objects

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

- To carry on the business of manufacturers, producers, importers, exporters, traders, dealers, distributors, stockists, buyers, sellers, agents or merchants in all kinds of towers such as power transmission towers, telecom towers, television towers, electrical transmission towers etc.*
- To carry on in India or elsewhere the business of manufacturing, producing, assembling, repairing, altering, fabricating, converting, improving, handling, insulating, reconditioning, punching, welding, fixing, concreting, installing, erecting, dismantling, buying, selling, importing, exporting, and to act as agent, broker, stockist, distributor, consultant, job worker, contractor, structural engineer, franchiser, supplier or otherwise to deal in all shapes, sizes, strengths, dimensions, descriptions, specifications and grades of iron & steel structures, such as hangers, building sections, bridges sections, lock gates, lattice masts, roofs, rolling beams, pillars, girders, columns, door frames, window frames, purlings, frame works, transmission towers, television towers, electrical transmission towers, shutters and other allied items used in transportation, defence, public utilities, power stations & lines, railways, industries, buildings, tunnels, dams and to do all acts and things incidental for the attainment of the above object.*
- To carry on in India or elsewhere the business to manufacture, produce, process, treat, assemble, alter, convert, commercialize, roll, reroll, melt mould, design, develop, fabricate, galvanize, machine, cut, trim, to account and to act as agent, broker, stockists, distributor, importer, exporter trader, buyer seller, vendor engineers, metallurgist, consultant, job worker or otherwise to deal in all shapes, sizes, uses capacities specifications, descriptions and varieties of products whether made of iron and steel or in combination with any ferrous and non ferrous materials such as plants, machineries, tools jigs, dies, moulds, reciprocals, equipments, instruments, apparatus, utensils, accessories, fittings, hardwares, sanitaries, fixtures, pipes, ductings, packing materials, engineering goods, etc. used in any industry, trade, commerce, public welfare, transport, vessels, defence, agriculture, construction, power, transmission, pollution, or in any other field and to do all such incidental acts and things necessary as may be necessary for the purpose of attainment of above objects.*
- To carry on in India or else where the business of manufacturing, producing, alerting, converting, processing, treating, improving, manipulating, extruding, milling, slitting, cutting, casting, forging, rolling, & rerolling of all shapes, sizes, varieties, specifications, dimensions, descriptions and strength of iron & steel products including bars, rods, structures, profiles, pipes, sheets, castings, wires, rolling metals, girders, channels, angles, rolls ingots, flats, slabs, torsteels, bright bars, shaftings, beams, rounds, squares, hexagons, octagons, foils, joints, deformed bars, their products, by-products, and other allied materials, goods articles and things made of all grades of iron & steels including mild steel, carbon steel, stainless steel, electrical steel, alloy steel, special steel or any combination there of with any other ferrous or non-ferrous materials and to act as agent, broker, distributor, stockist, importer, exporter, buyer, seller, jobworker, convertor, consultant, supplier, vendor or otherwise to deal in all goods, articles or things incidental to the attainment of the above objects.*

The existing and proposed activities of our Company are within the scope of the objects clause of the Memorandum of Association.

Amendments to the Memorandum of Association

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

Date of Amendment	Amendments
March 26, 2005	The Authorized Share Capital of the Company is Rs. 50, 00,000/- (Rupees fifty lacs) consisting of 5, 00,000 (five lacs) Equity Shares of Rs.10/-(Rupees ten only) each with power to consolidate, convert, subdivide, reduce or increase the capital and to issue any new shares with any preferential or special rights and conditions attached thereto subject to the provisions of the Companies Act, 1956.”
October 1, 2005	The Authorized Share Capital of the Company is Rs. 1,00,00,000/- (Rupees one crore) consisting of 10, 00,000 (ten lacs) Equity Shares of Rs.10/-(Rupees ten only) each with power to consolidate, convert, subdivide, reduce or increase the capital and to issue any new shares with any preferential or special rights and conditions attached thereto subject to the provisions of the Companies Act, 1956.
February 3, 2006	The Authorized Share Capital of the Company is Rs. 6,00,00,000/- (Rupees six crores) consisting of 60,00,000 (sixty lacs) Equity Shares of Rs.10/-(Rupees ten only) each with power to consolidate, convert, subdivide, reduce or increase the capital and to issue any new shares with any preferential or special rights and conditions attached thereto subject to the provisions of the Companies Act, 1956
April 6, 2007	The Authorized Share Capital of the Company is Rs. 20,00,00,000/- (Rupees twenty crores) consisting of 2,00,00,000 (two crore) Equity Shares of Rs.10/-(Rupees ten only) each with power to consolidate, convert, subdivide, reduce or increase the capital and to issue any new shares with any preferential or special rights and conditions attached thereto subject to the provisions of the Companies Act, 1956
May 20, 2008	<p>The following main objects were replaced by existing main objects of the Company:</p> <ol style="list-style-type: none"> <i>To take over the existing business of B.S. Steels as a going concern and to carry on the business as manufacturers, processors, re-rollers, refineries, smelters, converters, producers, exporters, importers, traders, dealers, distributors, stockiest, buyers, sellers, tents or merchants of all kinds and forms of steel, iron, metals and alloys, stainless and special iron metals and alloys, ingots, billets, bars, joists, rods, squares, structural, tubes, pipes, sheets, castings, wires, rails, rolling materials, rollers, other materials made wholly or partly of iron, steel, alloys and metals required in or used for industrial, agricultural, commercial, domestic, building, power transmission and/ or construction purposes.</i> <i>To search for, get, work, raise, make merchandise, sell and deal in iron, coat, ironstone, limestone, manages, ferro-magnetite, clay, fire clay, brick earth, bricks and other metals, minerals and substances and to manufacture and sell briquettes and other fuel and generally to undertake and carry on any business, transaction or operation commonly undertaken or carried on by explorers, prospectors and concessionaires and to search for, win, work, get calcine, reduce, amalgamate, dress, refine and prepare for the market and quartz and ore and mineral substances and to buy, sell, manufacture and deal in minerals and mineral products, plant and machinery and other things capable of being used in connection with mining and metallurgical operations or required by the workmen and others employed by the Company.</i> <i>To carry on in India and elsewhere the trades and business of iron masters, steel makers, steel converters, manufacturers of ferro manganese, colliery proprietors, coke manufacturers, mines, smelters, engineers, tin plate makers and iron flounders, all in their respective branches.</i> <i>To carry on the business of all or any kind of iron and steel flounders, steel melters, steel makers, steel shapers and manufacturers of steel, metal and malleable grey castings including ferrous, non ferrous, special and alloy</i>

	<p><i>steel, spring, steel forging, quality steel manufacturers, processes of all types of hardware items, plate makers, wire drawers, tube manufacturers, galvanizers, japaners, re-rollers, annealers, enamellers and electroplaters.</i></p> <p>5. <i>To manufacture, buy, sell, exchange, import, export, distribute and deal in steel, alloy steel, stainless steel, metals, ferrous and non-ferrous continuous castings and rolling mill plant, steel plant, machine tool rooms, foundries, melting works, forging works, heavy machine works, laboratories, scientific instruments and spares.</i></p>
May 20, 2008	<p>Inserted the following other objects in the Memorandum of Association:</p> <p>”8. <i>To plan, establish, develop, provide, operate, manage, maintain, deal, supply, take on lease, give on lease, hire or let on hire and to carry on the business of running (whether under licence or otherwise) telecommunication infrastructure, telecommunication systems, telecommunication networks and telecommunication services, of all kinds, within India as well as outside India, including but not limited to telephony, telex, wireless, data communication, telematic and other like forms of communication, transmission, emission or reception through the agency of electricity or electromagnetism, or light, or otherwise, of signs, signals, writing, images, sounds or intelligence of any nature by wire, radio, optical or other electromagnetic systems whether or not such signs, signals, writing, images, sound or intelligence have been subjected to rearrangement, computation or other processes by any means in the course of their transmission, emission or reception and of all kinds and to carry on all or any of the businesses of building, developing, maintaining, supplying, operating, managing and dealing in services, facilities and infrastructure for communications of all kinds, within India as well as outside India, such as telephony, data transmission, information technology and video services and facilities which incorporate, use, or are used in conjunction with in connection with or ancillary to telecommunication systems or telecommunication apparatus and equipment and to plan, establish, develop, provide, operate, buy, sell, deal in, take on lease, give on lease, hire, let on hire, franchise and maintain all types of telecommunication services including, telephone exchanges, telegraph offices, coaxial stations, microwave stations, landing stations, repeater stations, telecommunications lines, cables, submarine cables, subsea cables, dark fibre, right of way, duct space, towers, bandwidth, or any other equipment, plant, machinery connected with design, development, construction, maintenance and operation of telecommunications services and conveniences, within India as well as outside India, which may seem calculated directly or indirectly to advance the interests of our Company and to subsidise, contribute to or otherwise assist or take part in doing any of these things, and/or to join or partner with any other person and/or company and/or acquire any other company or body corporate or collaborate with any organisation or company or with any Governmental authority in doing any of these things.”</i></p> <p>“9. <i>To design, develop, install, provide, supply, deal, franchise, take on lease, give on lease, hire, let on hire, maintain and operate basic long distance services, cellular and value added telecommunications services, including but not limited to, providing broadband services, Wireless Applications Protocol (WAP) services, ISP services, internet based services, intelligent networks (IN) services, ISDN services, paging services and other value added services, global mobile telecommunications, electronic mail services, e-commerce, transactions, globally managed data networks, internet data centres (IDCs), call centers, webstores, data telecommunication networks, virtual private networks (VPNs), video conferencing, international gateway networks, satellite networks, in India as well as outside India, to meet the demands of the customers, or otherwise as being appropriate from time to time either by way of formation of subsidiaries or Joint Venture Partnerships with Indian or Foreign Partners or otherwise and to establish, maintain, develop, conduct, procure, buy, sell, import, export, trade, or</i></p>

otherwise deal in, or to act as service providers of every kind in the fields of engineering, technology, technical know how, chemical, mechanical, electrical, electronics, civil, industrial, commercial, statistical, financial, accountancy, medical, legal, educational, production, marketing, distribution, materials, personnel, planning, computers, software and software solutions of all kinds, system integration, data processing, multi-media services, direct to home services, entertainment media, cable television services, interactive television services, content for various uses, electronic media, Cellular Mobile Telephone Services (CMTS), National Long Distance Operator Services (NLDO), Fixed Telephone Services (FTS) , Cable Service Provider, Basic Telephone Services (BTS) with or without the use of Wireless Local Loop (WLL) Technology, VSAT Services, Internet Service Provision (ISP), Global Mobile Personal Communications by Satellite (GMPCS), wireline and wireless systems and other value added services including Paging Services, Radio Paging Service Providers, Public Mobile Radio Trunking Service Provider, DTM, communication methods, telecommunication, basic and cellular telephone, voice mail, internet, electronic mail, data communication services, intranet, internet connectivity, internet telephoning, interconnect and intraface services, applications like tele-banking, telemedicine, tele-education, tele-trading, e-commerce, e-governance, e-business and system design, kiosks, management information systems and other types of management including spectrum management, social or other value added services like providing end to end integrated solutions, netserv solutions, network connectivity solutions, cost effective solutions, other allied solutions for data transfer, administrative and effective communication.”

“10. To carry on the business, buy, sell, deal, take on lease, give on lease, hire, let on hire and otherwise participate in the launching of satellites as well as the provision of all associated services, for communications, Geographical Information Systems (GIS) services, Global Positioning Systems (GPS) services, Satellite Imaging, Remote Sensing for various applications and usage, other commercial use, or otherwise and to promote, seek investment, partner, participate in joint ventures and to invest in such ventures, within India as well as outside India and for similar such projects in the field of telecommunications and to carry on all or any of the businesses of running, operating, managing and supplying data processing and information systems, including videotext, viewdata and teletext systems and systems utilising, or utilising in, or for the capture, storage, retrieval, processing, conversion, transmission, receipt or presentation of messages and signals including but not limited to, data, sounds and visual images, with the aid of, in conjunction with, or in anyway whatsoever utilising computers or similar equipment and computer programs and databases and to carry on the businesses of operating, managing, supplying and dealing in services and facilities of all kinds which incorporate, use or are used in conjunction with, in connection with, or ancillary to, systems of such descriptions as aforesaid or any of the apparatus and equipment comprised therein and to set up, operate manage, deal, in run the business of professional television /cable TV / audio / video / cine studios for production of entertainment shows, sponsored programmes, advertising films, educational films, feature films including transfer of films to video cassettes and to produce TV programmes, TV news coverage, educational programmes, sports coverage and computer software for programmes connected therewith and to import and export programmes for TV networks and other films for exhibition and to pay or earn royalties from TV/film/music shows.”

”11. To undertake in India and elsewhere supply, erection, fabrication, construction, installation, commissioning, implementation and all other associated works and services of and relating to all segments of telecommunication and other communication industry projects based on any technology, for self and for others, on turnkey basis or otherwise.”

	<i>“12. To carry on in India or elsewhere the business to develop, import, export, manufacture, buy, sell, distribute, transfer, lease, hire, license, use, dispose off, operate, fabricate, construct, assemble, record, maintain, repair, recondition, work, alter, convert, improve, procure, install, modify, or to act as consultant, agent, representative, advisor, or otherwise to deal in, all kinds of telecom equipments, information technology enabled services, hardware, software, microprocessors, electronic and electrical apparatus, switches, radio equipments, routers, cables, bandwidth, towers, equipments, gadgets, peripherals, modules, auxiliary instruments, tools, plants, machines, work systems, conveniences, spare parts, accessories, devices, components and fixtures relevant to any technology and of different capacities, sizes, specifications, applications, description and models used or may be used in the communication, media, entertainment and information technology industries.”</i>
May 20, 2008	The Authorized Share Capital of the Company is Rs. 30,00,00,000/- (Rupees thirty crores) consisting of 3,00,00,000 (three crore) Equity Shares of Rs.10/-(Rupees ten only) each with power to consolidate, convert, subdivide, reduce or increase the capital and to issue any new shares with any preferential or special rights and conditions attached thereto subject to the provisions of the Companies Act, 1956

Our Subsidiary:

BS Infratel Limited

BS Infratel Limited (“BSIL”) was incorporated on June 10, 2008 pursuant to a certificate of registration bearing number 059595 issued by the Registrar of Companies, Andhra Pradesh.

BSIL has received the certificate of commencement of business dated September 11, 2008 from the Registrar of Companies, Andhra Pradesh.

The Corporate Identification Number of BSIL is U74900AP2008PLC059595.

The registered office of BSIL is located at 504, Trendset Towers, Road No. 2, Banjara Hills, Hyderabad 500 034.

BSIL is yet to commence business. However, BSIL has been incorporated for the purposes of providing passive infrastructure services to telecommunication service providers.

Main objects of BSIL:

- To plan, establish, develop, provide, operate, manage, maintain, deal, supply, take on lease, give on lease, hire or let on hire and to carry on the business of running (whether under licence or otherwise) telecommunication infrastructure, telecommunication systems, telecommunication networks and telecommunication services, of all kinds, within India as well as outside India, including but not limited to telephony, telex, wireless, data communication, telematic and other like forms of communication, transmission, emission or reception through the agency of electricity or electromagnetism, or light, or otherwise, of signs, signals, writing, images, sounds or intelligence of any nature by wire, radio, optical or other electromagnetic systems whether or not such signs, signals, writing, images, sound or intelligence have been subjected to rearrangement, computation or other processes by any means in the course of their transmission, emission or reception and of all kinds and to carry on all or any of the businesses of building, developing, maintaining, supplying, operating, managing and dealing in services, facilities and infrastructure for communications of all kinds, within India as well as outside India, such as telephony, data transmission, information technology and video services and facilities which incorporate, use, or are used in conjunction with in connection with or ancillary to telecommunication systems or telecommunication apparatus and equipment and to plan, establish, develop, provide, operate, buy, sell, deal in, take on lease, give on lease, hire, let on hire, franchise and maintain all types of telecommunication services including, telephone exchanges, telegraph offices, coaxial stations, microwave stations, landing stations, repeater stations, telecommunications lines, cables, submarine cables, subsea cables, dark fibre, right of way, duct space, towers, bandwidth, or any other equipment, plant, machinery connected with design, development, construction, maintenance and operation of telecommunications services and conveniences, within India as well as outside India, which may seem calculated directly or indirectly to advance the interests of our*

Company and to subsidise, contribute to or otherwise assist or take part in doing any of these things, and/or to join or partner with any other person and/or company and/or acquire any other company or body corporate or collaborate with any organisation or company or with any Governmental authority in doing any of these things.

2. *To design, develop, install, provide, supply, deal, franchise, take on lease, give on lease, hire, let on hire, maintain and operate basic long distance services, cellular and value added telecommunications services, including but not limited to, providing broadband services, Wireless Applications Protocol (WAP) services, ISP services, internet based services, intelligent networks (IN) services, ISDN services, paging services and other value added services, global mobile telecommunications, electronic mail services, e-commerce, transactions, globally managed data networks, internet data centres (IDCs), call centers, webstores, data telecommunication networks, virtual private networks (VPNs), video conferencing, international gateway networks, satellite networks, in India as well as outside India, to meet the demands of the customers, or otherwise as being appropriate from time to time either by way of formation of subsidiaries or Joint Venture Partnerships with Indian or Foreign Partners or otherwise and to establish, maintain, develop, conduct, procure, buy, sell, import, export, trade, or otherwise deal in, or to act as service providers of every kind in the fields of engineering, technology, technical know how, chemical, mechanical, electrical, electronics, civil, industrial, commercial, statistical, financial, accountancy, medical, legal, educational, production, marketing, distribution, materials, personnel, planning, computers, software and software solutions of all kinds, system integration, data processing, multi-media services, direct to home services, entertainment media, cable television services, interactive television services, content for various uses, electronic media, Cellular Mobile Telephone Services (CMTS), National Long Distance Operator Services (NLDO), Fixed Telephone Services (FTS) , Cable Service Provider, Basic Telephone Services (BTS) with or without the use of Wireless Local Loop (WLL) Technology, VSAT Services, Internet Service Provision (ISP), Global Mobile Personal Communications by Satellite (GMPCS), wireline and wireless systems and other value added services including Paging Services, Radio Paging Service Providers, Public Mobile Radio Trunking Service Provider, DTM, communication methods, telecommunication, basic and cellulartelephone, voice mail, internet, electronic mail, data communication services, intranet, internet connectivity, internet telephoning, interconnect and intraface services, applications like tele-banking, tele85medicine, tele-education, tele-trading, e-commerce, e-governance, e-business and system design, kiosks, management information systems and other types of management including spectrum management, social or other value added services.*
3. *To carry on the business, buy, sell, deal, take on lease, give on lease, hire, let on hire and otherwise participate in the launching of satellites as well as the provision of all associated services, for communications, Geographical Information Systems (GIS) services, Global Positioning Systems (GPS) services, Satellite Imaging, Remote Sensing for various applications and usage, other commercial use, or otherwise and to promote, seek investment, partner, participate in joint ventures and to invest in such ventures, within India as well as outside India and for similar such projects in the field of telecommunications and to carry on all or any of the businesses of running, operating, managing and supplying data processing and information systems, including videotext, viewdata and teletext systems and systems utilising, or utilising in, or for the capture, storage, retrieval, processing, conversion, transmission, receipt or presentation of messages and signals including but not limited to, data, sounds and visual images, with the aid of, in conjunction with, or in anyway whatsoever utilising computers or similar equipment and computer programs and databases and to carry on the businesses of operating, managing, supplying and dealing in services and facilities of all kinds which incorporate, use or are used in conjunction with, in connection with, or ancillary to, systems of such descriptions as aforesaid or any of the apparatus and equipment comprised therein.*

Equity Shareholding Pattern

Name of the Shareholders	No. of equity shares of the face value of Rs. 10 each	Percentage holding
BS TransComm Limited	49,940	99.88
Mr. Rajesh Agrawal	10	0.02
Mr. Rakesh Agarwal	10	0.02
Mr. Mukesh Agarwal	10	0.02

Ms. Reema Agarwal	10	0.02
Ms. Rakhee Agarwal	10	0.02
Ms. Shalini Agarwal	10	0.02
Total	50,000	100.0

Board of Directors

Name	Nature of directorship/ designation
Mr. Rajesh Agrawal	Non-executive director
Mr. Rakesh Agarwal	Non-executive director
Mr. Narinder Sharma	Non-executive director

Financial Performance

Since the company was incorporated on June 10, 2008, there are no financials to report. The company is yet to commence business operations.

BSIL has not been restrained by SEBI or any other regulatory authority in India from accessing the capital markets for any reason.

Scheme of Amalgamation:

Scheme of Amalgamation (the “Merger Scheme”) between B.S. Integrated Steel Products Private Limited (“Transferor Company”) with B.S. Steel and Minerals Private Limited (“Transferee Company”)

The Merger Scheme provided for the transfer of the undertakings of the Transferor Company, as defined hereunder, to the Transferee Company.

The Merger Scheme defines “**Undertaking of the Transferor Company**” as:

“It includes all the properties, assets and liabilities of the Transferor Company, viz, B.S. Integrated Steel Products Private Limited immediately before the amalgamation.”

The Transferee Company effectuated the Merger Scheme on December 17, 2007 (the “**Effective Date**”), which is the date on which a certified copy of the order of the High Court of Judicature, Andhra Pradesh at Hyderabad sanctioning the Merger Scheme was filed with the Registrar of Companies, Hyderabad under section 394 of the Companies Act.

The appointed date of the Merger Scheme is April 1, 2006 (“**Appointed Date**”).

Set forth below are certain key features of the Merger Scheme:

Immovable and movable assets

With effect from the Appointed Date, the entire undertakings of the Transferor Company, including all movable and immovable properties such as land, buildings, plans and machinery and all rights and interests arising out of such properties with all licenses obtained from central, state, quasi-governmental organisations, all agreements for tax reliefs and all borrowings from financial institutions affecting the properties of the Transferor Company was transferred and vested in the Transferee Company in accordance with section 394 of the Companies Act.

Liabilities

Under the Merger Scheme, with effect from the Appointed Date, all liabilities, debts, duties and obligations of whatsoever nature was transferred to the Transferee Company in accordance with section 394 of the Companies Act.

Legal Proceedings

The Merger Scheme provides that all legal and other proceedings and actions of whatsoever nature with which the Transferor Company was concerned or to which it was a party, would be continued and prosecuted by or against the Transferee Company, in the same manner and to the same extent as they would have continued and prosecuted by or against the Transferor Company if the Merger Scheme had not been given effect to.

Employees

With effect from the Appointed Date, all the permanent employees of the Transferor Company would become the permanent employees of the Transferee Company without interruption in service and on terms and conditions not less favourable than those subsisting with reference to the Transferor Company.

Accounting Treatment

With effect from the Appointed Date, the assets, liabilities, losses and reserves if the Transferor Company was accounted for and dealt with in the books of the Transferee Company as per the accounting standards.

Issue of Shares

In accordance with the Merger Scheme, the Transferee Company have allotted fourteen Equity Shares of Rs. 10 each for every one equity share of Rs 10 each, fully paid up, held by the members of the Transferor Company.

Dissolution of the Transferor Company

On the Merger Scheme being sanctioned by the Hon'ble High Court of Judicature of Andhra Pradesh at Hyderabad and with effect from the Appointed Date, the Transferor Company was dissolved without going through the process of winding up.

Joint Venture Agreements

Our Company has entered into several joint partnerships with third parties in order to meet the pre-qualification criteria for bidding for tenders floated by governmental agencies. For details of the same, please refer to the section titled "Business Overview" beginning on page 65 of the Draft Red Herring Prospectus.

Shareholder and other agreements:

As of date of the Draft Red Herring Prospectus, our Company is not party to any shareholder or other agreements.

Strategic Partners

As of date of the Draft Red Herring Prospectus, our Company has no strategic partners and is not part of any strategic partnerships.

Financial Partners

As of date of the Draft Red Herring Prospectus, our Company has no financial partners.

OUR MANAGEMENT

Board of Directors

As per the Articles of Association, our Company must have a minimum of three and a maximum of twelve Directors. As on the date of the Draft Red Herring Prospectus, our Company has eight Directors on its Board.

The following table sets forth the current details of the Board of Directors as on the date of the Draft Red Herring Prospectus:

Name, Father's name, Designation, Address and Occupation	Qualifications	Age (years)	Other Directorships
Mr. Rajesh Agrawal <i>Managing Director</i> S/o Late Satyanarayan Agarwal Address: D-103, Trendset Valley View Apartments, Road No. 6, Banjara Hills, Hyderabad – 500 034 Occupation: Business	B.Com	37	1. Novus Real Estates Private Limited 2. Yograj Real Estates Private Limited 3. CVK Developers Limited 4. Four By Four Hotels Private Limited 5. Reemalaxmi Mining and Energy Limited 6. Shivaganga Infrastructures Limited 7. I-Vantage India Private Limited 8. I-Vantage Apac Private Limited 9. St. Croix Systems India Private Limited 10. BNK e Solutions Private Limited 11. I-Vantage BNK e Solutions Private Limited 12. Big Indian ERM Services Private Limited 13. BS Ventures Pte Limited, a company registered under the laws of Singapore 14. BS Holdings Limited, a company registered under the laws of Mauritius 15. BS Infratel Limited 16. I-Vantage Inc. USA
Mr. Rakesh Agarwal <i>Joint Managing Director</i> S/o Late Satyanarayan Agarwal Address: D-103, Trendset Valley View Apartments, Road No. 6, Banjara Hills, Hyderabad – 500 034 Occupation: Business	B.Com	33	1. Yograj Real Estates Private Limited 2. Reemalaxmi Mining and Energy Limited 3. I-Vantage India Private Limited 4. Shivaganga Infrastructures Limited 5. BS Infratel Limited
Mr. Mukesh Agarwal <i>Whole-time Director</i> S/o Late Satyanarayan Agarwal Address: D-103, Trendset Valley View Apartments, Road No. 6,	B.Com	30	Reemalaxmi Mining and Energy Limited

Name, Father's name, Designation, Address and Occupation	Qualifications	Age (years)	Other Directorships
Banjara Hills, Hyderabad – 500 034 Occupation: Business			
Brig Arun Kumar Sharma S/o Lt. M.L. Sharma Designation: Executive Director Address: A-406, Sujjan Vihar, Sector-43, Gurgaon-122001 Occupation: Service	Masters in electronic and telecommunications engineering , MBA	67	Nil
Mr. Sanjay Baweja S/o Mr. Govind Kumar Baweja Designation: Independent Director Address: W-7/1, DLF Phase-III, Gurgaon, Haryana-122002 Occupation: Service	FCA, ICWA	47	<ol style="list-style-type: none"> 1. Easel Propbuild Private Limited 2. Edenic Propbuild Private Limited 3. Educt Propbuild Private Limited 4. Enamel Propbuild Private Limited 5. Epitome Propbuild Private Limited 6. Emaar MGF Construction Private Limited 7. Emaar MGF Services Private Limited 8. Emaar MGF Projects Private Limited 9. Emaar MGF Hospitality Private Limited 10. Shitij Buildcon Private Limited 11. Sphere Realtors Private Limited 12. Leighton Construction (India) Private Limited 13. True Value Hotels India Private Limited 14. Ingenuity Advisors Private Limited 15. Ingenuity IT Solutions Private Limited 16. MGF Retail Private Limited 17. MGF Retail Services Private Limited 18. MGF Retail Ventures Private Limited 19. MGF Holdings Private Limited 20. Meteor Propbuild Private Limited 21. Peseta Propbuild Private Limited 22. RSH Distribution (India) Private Limited 23. Glen Propbuild Private Limited - Singapore 24. Silver Sands Resorts Management Private Limited – Singapore 25. Silver Sea Vessel Management Private Limited – Singapore 26. RSH Holdings Pte Limited– Singapore 27. RSH (Singapore) Pte Limited–

Name, Father's name, Designation, Address and Occupation	Qualifications	Age (years)	Other Directorships
			Singapore 28. Sports Equipment Holdings Pte Limited– Singapore 29. Aryan (SEA) Private Limited – Singapore 30. Gagan Holdings Pte Limited– Singapore 31. Armaan Pte. Limited– Singapore 32. Royalvasco Pte. Limited– Singapore 33. Novo Pte. Limited– Singapore 34. Famas Solutions Pte. Limited– Singapore 35. Prasan Pte. Limited- Singapore 36. R.S.H. Marketing (Phil) Pte Limited - Singapore
Mr. Narinder Sharma S/o Lt. M.L. Sharma Designation: Independent Director Address: 567, Mandakini Enclave Alaknanda, New Delhi Occupation: Consultant	Bachelors in electronic engineering	64	1. Railtel Corporation of India Limited 2. Chandigarh Consulting Private Limited 3. BS Infratel Limited
Dr. Subrata Kumar De S/o Subhash Kumar De Designation: Independent Director Address: AE 28, Salt Lake City, Kolkata-64 Occupation: Telecom Executive Nationality: Australia	M.Sc (Electronics and Electrical Engineering), Ph.D. (Electronics and Electrical Engineering)	56	Matrix Ventures Private Limited
Mr. Suneel Babu Gollapalli S/o Mr. Babu Rao Gollapalli Designation: Nominee Director Address: 11-4-614 and 614/1, Block B, 404, Moghal Maisaan Apartments, AC Guards, Hyderabad – 500 004 Occupation: Service	BE (Mechanical), CAIIB	42	Natural Bio-Energy Limited

Apart from Dr. Subrata Kumar De, who is an Australian citizen, all the other Directors are Indian citizens.

Relationship between Directors inter-se

Mr. Rajesh Agrawal, Mr. Rakesh Agarwal and Mr. Mukesh Agarwal are full blood brothers.

Details of appointment and term of the Directors:

Name of Directors	Designation and Term
Mr. Rajesh Agrawal	Mr. Rajesh Agrawal was first appointed on the Board on September 1, 2004. He was appointed as the Managing Director of the Company on October 1, 2007. He has been reappointed as the Managing Director with effect from February 7, 2008 till September 30, 2012, consequent to the conversion of the Company into a public limited company.
Mr. Rakesh Agarwal	Mr. Rakesh Agarwal was first appointed on the Board on January 7, 2004. He was appointed as the Joint Managing Director of the Company on October 1, 2007. He has been reappointed as the Joint Managing Director with effect from February 7, 2008 till September 30, 2012, consequent to the conversion of the Company into a public limited company.
Mr. Mukesh Agarwal	Mr. Mukesh Agarwal was first appointed on the Board on January 7, 2004. He was appointed as the Whole-Time Director of the Company on October 1, 2007. He has been reappointed as the Whole-time Director with effect from February 7, 2008 till September 30, 2012, consequent to the conversion of the Company into a public limited company.
Brig Arun Kumar Sharma	Brig Arun Kumar Sharma was first appointed on the Board on December 10, 2007 as an additional director on our Board. On December 29, 2007, he was appointed as the Executive Director on the Board of our Company. He has been reappointed as the Executive Director with effect from February 7, 2008 till December 28, 2012, consequent to the conversion of the Company into a public limited company.
Mr. Sanjay Baweja	Mr. Sanjay Baweja was appointed as an Additional Director on the Board of our Company on December 10, 2007 and was regularized at the AGM held on June 3, 2008. He is liable to retire by rotation.
Mr. Narinder Sharma	Mr. Narinder Sharma was appointed as an Additional Director on the Board of our Company on February 2, 2008 and was regularized at the AGM held on June 3, 2008. He is liable to retire by rotation.
Dr. Subrata Kumar De	Dr. Subrata Kumar De was appointed as an Additional Director on the Board of our Company on February 2, 2008 and was regularized at the AGM held on June 3, 2008. He is liable to retire by rotation.
Mr. Suneel Babu Gollapalli	Mr. Suneel Babu Gollapalli was appointed on April 11, 2008. He is a Nominee Director, nominated by IDBI Limited and is not liable to retire by rotation.

Brief Profile of the Directors

Mr. Rajesh Agrawal, 37 years, is our Promoter and Managing Director. He is a commerce graduate from Osmania University, Hyderabad. He has over 15 years of experience in establishment and management of manufacturing units and companies providing information technology services. He started his career by joining Abhishek Steels Limited and Gautam Rolling Mills Private Limited, his family owned concerns, in the year 1989. He started his own steel trading and information technology services business by the name of BS Integrated Steel Products Private Limited and I-Vantage India Private Limited respectively in the year 2002. He is responsible for maintaining customer-client relationships, procurement incubation and development of business, and is responsible for strategic decision making. He is an active member of the Young Presidents Organisation International, NASSCOM, Hyderabad Software

Exporters Association, Hyderabad Management Association, FICCI, FICCI CEO Club, FAPCCI, All India Steel Re-rollers Association. He is a director on the board of St. Croix Systems India Private Limited, BNK e Solutions Private Limited, I-Vantage BNK e Solutions Private Limited, Rich N Rich Finance and Holdings Private Limited, Big Indian ERM Services Private Limited, Starbulence Technologies Private Limited, apart from being a director on the board of our Group Companies.

Mr. Rakesh Agarwal, 33 years, is our Promoter and the Joint Managing Director of our Company. He is a commerce graduate from Nagpur University. He has approximately 13 years of experience in the steel industry particularly steel re-rolling and steel trading. He started his career by joining Abhishek Steels Limited, a family owned concern in the year 1992. He overlooks the day to day operations of the Company. He is responsible for the management and administration of the Company, in the purchase and trading of steel and implementing the expansion plans of the Company.

Mr. Mukesh Agarwal, 30 years, is our Promoter and the Whole-time Director of our Board. He is a commerce graduate from Nagpur University. He has approximately 9 years of experience in the steel industry particularly steel re-rolling and manufacturing of steel towers. He started his career with Abhishek Steels Limited, a family owned concern, in the year 1999. He is currently responsible for the day to day operations of our Factory.

Brigadier Arun Kumar Sharma, 67 years, is the Executive Director of our Company. He holds a masters degree in electronic and telecommunications engineering from the Institute of Armament and Technology, Pune and a masters' degree in business administration from Punjab University, Patiala. He has over 40 years of experience in telecommunication operations. He was designated as the chief executive officer (Asia Pacific) at Hayat Communications from July 2007 to December 2007. He has also been designated as the executive director of Independent Mobile Infrastructure Limited from March 2007 to July 2007. Prior to that, he was designated as the chief operating officer of Xcel Telecom Private Limited during the period January 2007 to March 2007. He was the Chief Executive Officer of Infinite Tele Solutions Private Limited during the period April 2006 to January 2007. He had been the National Project Director with Reliance Infocomm Limited during the period June 2003 to October 2005. He was the chief operating officer responsible for the execution of the projects of Bharti Cellular Limited for their western region during the period September 2001 to June 2003. He has been the executive director & chief operator of Gateway Systems India during the period August 2000 to August 2001. He has been the group senior vice president and chief technical officer at BPL Mobile Limited during the period September 1994 to August 2000. He has also been associated with the Indian Army Signals Corps during the period 1962 - 1994. In 1999, he was awarded a certificate of accomplishment as "Best Professional Globally" by the "Gibraltar House Inc" USA.

Mr. Narinder Sharma, 64 years, is an Independent Director on the Board of our Company. He holds a bachelors degree in electronic engineering from Punjab Engineering College, Chandigarh. He has over 42 years of experience in telecom management planning and operations, telecom research, regulatory affairs and telecom related international business. He has been the chairman and managing director of Mahanagar Telephone Nigam Limited ("MTNL") for the period 2000-2003. He has been the chairman of United Telecom Limited, Nepal for the period 2001-2003, chairman of Millennium Telecom Limited, Mumbai for the period 2000-03, secretary of the Telecom Regulatory Authority of India for the period 1997-2000, chairman of the Management Committee of Asia Pacific Telecommunity ("APT"), Bangkok for the period 1996-2000, vice-chairman of APT Study Group for the period 1994-96, government nominee on the Boards of Videsh Sanchar Nigam Limited, MTNL and Telecommunications Consultants India Limited during the period 1996-97, the chief executive officer of Hindustan Cables Limited, Naini during the period 1987-92. Presently Mr. Sharma is on the board of RailTel Corporation of India Limited (a Government of India enterprise) as an independent director and is also a consultant with Reliance Communications Limited.

Dr Subrata Kumar De, 56 years, is an Independent Director on the Board of our Company. He has completed masters in Electronics and Electrical Engineering from Institute of Science and Technology, University of Manchester, UK and his Ph.D. from the same university. He has over 20 years of experience in the global telecom and information technology industry particularly in the field of 2.5G, 3G and 4G technologies and network investment planning, product innovation and market understanding. He was the global executive head with the Vodafone Group, responsible for strategising, planning, technology management and rollout of 2.5G / 3G mobile networks in countries across Europe and Asia for over 20 years. He was responsible for incorporation of the "Core and Access Network" division of Vodafone Global Technology since 2001 and founded and has chaired the "Core Network Heads Forum - Directors of Networks", Vodafone, operating across companies around the world.

Mr. Sanjay Baweja, 47 years, is an Independent Director on the Board of our Company. He has over 20 years experience in diverse industries, including telecommunications, real estate and fast moving consumer goods. He was earlier the chief financial officer of Bharti Cellular Limited. He has also been associated with Indian and multinational

companies like Bharti Televentures Limited, Xerox Modicorp Limited, Digital Equipment India Limited and Ballarpur Industries Limited. He is a fellow member of the Institute of Chartered Accountants of India and an associate member of the Institute of Cost and Works Accountants of India. He is currently the chief financial officer of Emaar MGF Land Limited and is responsible for all finance, accounting, secretarial and taxation related matters.

Mr. Suneel Babu Gollapalli, 42 years, is a Nominee Director on the Board of our Company, nominated by IDBI Bank. He holds a bachelors degree in mechanical engineering from GITAM, Visakhapatnam. He has over 15 years of experience in project finance, venture capital commercial banking and trade finance. He is currently on the board of directors of Natural Bio-Energy Limited.

Borrowing powers of the Board

Pursuant to a resolution passed by the shareholders of our Company on May 20, 2008 in accordance with provisions of the Companies Act, the Board is authorised to borrow monies upon such terms and conditions, with or without security, as the Board may think fit, provided that the monies to be borrowed together with the monies already borrowed by our Company (apart from the temporary loans obtained from its bankers in the ordinary course of business) shall not exceed, at any time, Rs. 1,000 crores.

Remuneration of our Executive Directors

1. Pursuant to the resolution dated February 8, 2008, Mr. Rajesh Agrawal's remuneration has been determined as under:

Salary	Rs. 3,00,000/- per month
Perquisites	<ol style="list-style-type: none"> 1. The Company shall provide, bear and pay all costs and expenses of a car, driver and fuel during the tenure of Directorship 2. Medical reimbursement for entire family, subject to a maximum of one months' salary or three months' salary in a block of three years. 3. Leave travel concession 4. Club membership, subject to a maximum of two clubs and no admission or life membership would be allowed 5. Gratuity, provident fund and superannuation benefits, subject to the rules of the Company 6. Telecommunication facility at residence

For Fiscal 2008, Mr. Rajesh Agrawal was paid a gross remuneration of Rs. 23.50 lacs.

2. Pursuant to the resolution dated February 8, 2008, Mr. Mukesh Agarwal's remuneration has been determined as under:

Salary	Rs. 2,00,000/- per month
Perquisites	<ol style="list-style-type: none"> 1. The Company shall provide, bear and pay all costs and expenses of a car, driver and fuel during the tenure of Directorship 2. Medical reimbursement for entire family, subject to a maximum of one months' salary or three months' salary in a block of three years. 3. Leave travel concession 4. Club membership, subject to a maximum of two clubs and no admission or life membership would be allowed 5. Gratuity, provident fund and superannuation benefits, subject to the rules of the Company 6. Telecommunication facility at residence

For Fiscal 2008, Mr. Mukesh Agarwal was paid a gross remuneration of Rs. 16.50 lacs.

3. Pursuant to the resolution dated February 8, 2008, Mr. Rakesh Agarwal's remuneration has been determined as under:

Salary	Rs. 2,00,000/- per month
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Perquisites	<ol style="list-style-type: none"> 1. The Company shall provide, bear and pay all costs and expenses of a car, driver and fuel during the tenure of Directorship 2. Medical reimbursement for entire family, subject to a maximum of one months' salary or three months' salary in a block of three years. 3. Leave travel concession 4. Club membership, subject to a maximum of two clubs and no admission or life membership would be allowed 5. Gratuity, provident fund and superannuation benefits, subject to the rules of the Company 6. Telecommunication facility at residence
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For Fiscal 2008, Mr. Mukesh Agarwal was paid a gross remuneration of Rs. 16.50 lacs.

4. Pursuant to the resolution dated February 8, 2008, Brig. Arun Kumar Sharma's remuneration has been determined as under:

Salary	Rs. 90,00,000/- per year
Perquisites	<ol style="list-style-type: none"> 1. The Company shall provide, bear and pay all costs and expenses of a car, driver and fuel during the tenure of Directorship 2. Medical reimbursement for entire family, subject to a maximum of one months' salary or three months' salary in a block of three years. 3. Leave travel concession 4. Club membership, subject to a maximum of two clubs and no admission or life membership would be allowed 5. Gratuity, provident fund and superannuation benefits, subject to the rules of the Company 6. Telecommunication facility at residence

For Fiscal 2008, Brig. Arun Kumar Sharma was paid a remuneration of Rs. 33.18 lacs plus perquisites.

Compensation of our non-executive Directors

Other than sitting fees, we do not provide any compensation to any of our non-executive Directors. As per our AoA, the Directors are not required to hold any qualification shares. For further details, please refer Article 142 of the Articles of Association of our Company.

Board Procedure

Our Company has held Board meetings as per the provisions of the Companies Act and has maintained minutes of the meetings thereof.

Shareholding of our Directors:

The details of the shareholding of our Directors are as under.

Sr. No.	Name of the Directors	Number of Equity Shares	Percentage shareholding (%) (Pre-Issue)
1.	Mr. Rajesh Agrawal	50,10,400	35.29
2.	Mr. Rakesh Agarwal	41,73,400	29.39
3.	Mr. Mukesh Agarwal	43,65,200	30.74
4.	Brig. Arun Kumar Sharma	4,000	0.03
5.	Mr. Sanjay Baweja	4,000	0.03
6.	Mr. Subrata Kumar De	4,000	0.03

7.	Mr. Narinder Sharma	4,000	0.03
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For details regarding Equity Shares held by the Promoters and their families and entities controlled by them, please see the section titled ‘Capital Structure’ beginning on page 15 of the Draft Red Herring Prospectus.

Interest of Directors:

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board/ committee thereof as well as to the extent of the remuneration paid to them for services rendered as officers of the Company.

All of our Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them and that may be subscribed for or allotted to them in the present Issue in terms of the Draft Red Herring Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

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

The Articles of Association provide that the Directors and officers shall be indemnified by our Company against loss, if any, in defending any proceeding brought against Directors and officers in their capacity as such, if the indemnified Director or officer receives judgment in his favour or is acquitted in such proceeding. For further details, please refer Article 196 of the Articles of Association.

Except as stated otherwise in the Draft Red Herring Prospectus, our Company has not entered into any contract, agreement or arrangement during the preceding two years from the date of the Draft Red Herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

Our Directors are not interested in any property acquired by our Company within two years of the date of the Draft Red Herring Prospectus.

For further details on the interests of Directors, please refer to the section titled “Related Party Transactions” beginning on page 121 of the Draft Red Herring Prospectus.

Payment or Benefit to officers of our Company (non salary related)

Except as stated mentioned in the section titled “Related Party Transactions” and the Employee Stock Purchase Plan, as detailed in the section titled “Capital Structure” beginning on page 121 and 21 respectively of the Draft Red Herring Prospectus, no amount or benefit has been paid or given since incorporation or is intended to be paid or given to any of the Directors or Key Managerial Personnel or officers of our Company except the normal remuneration for services rendered as Directors, officers or employees.

Our Company has made no other payments or benefits to its officers besides their salary.

Changes in the Board of Directors for the last three years:

The following changes have occurred in the Board of Directors in the last three years:

Name of Director	Date of Appointment/ Resignation	Reasons for change
Mr. Mukesh Agarwal	January 07, 2004	Appointment
Mr. Rakesh Agarwal	January 07, 2004	Appointment
Mr. Rajesh Agrawal	September 01, 2004	Appointment
Brig. Arun Kumar Sharma	December 10, 2007	Appointment
Mr. Sanjay Baweja	December 10, 2007	Appointment

Name of Director	Date of Appointment/ Resignation	Reasons for change
Mr. Subrata Kumar De	February 2, 2008	Appointment
Mr. Narinder Sharma	February 2, 2008	Appointment
Mr. Suneel Babu Gollapalli	April 11, 2008	Appointment

Changes in Auditors

Changes in our auditors in the last three years are as follows:

Name of Auditor	Date of Appointment/ Resignation	Reasons for change
M/s P.K. Bajaj & Co.	January 12, 2004	Appointment
M/s P.K. Bajaj & Co.	November 17, 2006	Resignation
M/s S.K. Bang & Co.	November 17, 2006	Appointment
M/s S.K. Bang & Co.	January 7, 2008	Resignation
M/s M Bhaskara Rao & Co.	January 07, 2008	Appointment

Corporate Governance

The company has complied with SEBI guidelines in respect of Corporate Governance specially with respect to broad basing of the Board, constituting the committees such as the Audit Committee, Share Transfer and Investors Grievance Committee and Remuneration and Compensation Committee. Corporate governance is administered by the Board through the said committees. However, the primary responsibility for upholding high standards of corporate governance and providing the necessary disclosures within the framework of legal provisions and institutional conventions with the commitment to enhance shareholders' value vests with the Board.

Pursuant to the listing of the Equity Shares, our Company is required to enter into listing agreement with the Stock Exchanges. Our Company is in compliance with the applicable provisions of the listing agreement pertaining to corporate governance, including appointment of independent Directors and constitution of the following committees of our Company's Board.

Committees of the Board

The Board functions through the following committees:

I. Audit Committee

The Audit Committee was constituted on February 8, 2008. The Audit Committee comprises of the following members:

Sr. No	Name of the Director	Designation	Status
1.	Mr. Narinder Sharma	Chairman	Independent Director
2.	Mr. Sanjay Baweja	Member	Independent Director
3.	Mr. Rajesh Agrawal	Member	Managing Director

The Company Secretary and Compliance Officer of our Company is the secretary of the Audit Committee.

At least two of the three members of the Audit Committee are independent directors, within the meaning of Clause 49 of the Listing Agreement.

The terms of reference / scope and function of the Audit Committee is in accordance with Section 292A of the Companies Act and Clause 49 of the Listing Agreement, which are as follows:

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

- 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.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Appointment, removal and terms of remuneration of internal auditors
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 1. 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;
 2. Changes, if any, in accounting policies and practices and reasons for the same;
 3. Major accounting entries involving estimates based on the exercise of judgment by management;
 4. Significant adjustments made in the financial statements arising out of audit findings;
 5. Compliance with listing and other legal requirements relating to the financial statements;
 6. Disclosure of any related party transactions;
 7. Qualifications in the draft audit report.
- Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
- Monitoring the use of the proceeds of the proposed initial public offering of the Company.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussions with internal auditors on any significant findings and follow up thereon.
- Reviewing internal audit reports and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- To review the functioning of the whistle blower mechanism, when the same is adopted by the Company and is existing.
- Carrying out any other function as may be statutorily required to be carried out by the Audit Committee.

II. Share Transfer and Investors Grievance Committee

The Share Transfer and Investors Grievance Committee was constituted on February 8, 2008. The committee shall function in accordance with Clause 49 of the listing agreement.

Sr. No	Name of the Director	Designation	Status
1	Mr. Narinder Sharma	Chairman	Independent Director
2	Mr. Rakesh Agarwal	Member	Executive Director

Sr. No	Name of the Director	Designation	Status
3	Mr. Rajesh Agrawal	Member	Executive Director

The Company Secretary and Compliance Officer of our Company is the secretary of the Share Transfer and Investors Grievance Committee.

The terms of reference / scope and function of the Share Transfer and Investors Grievance Committee include the performance of the functions as recommended in the listing agreement, to look into redressal of shareholders and investor complaints, issue of duplicate/ split/ consolidated share certificates, allotment and listing of shares and review of cases for refusal of transfer/ transmission of shares and debentures and reference to statutory and regulatory authorities.

III. Remuneration and Compensation Committee

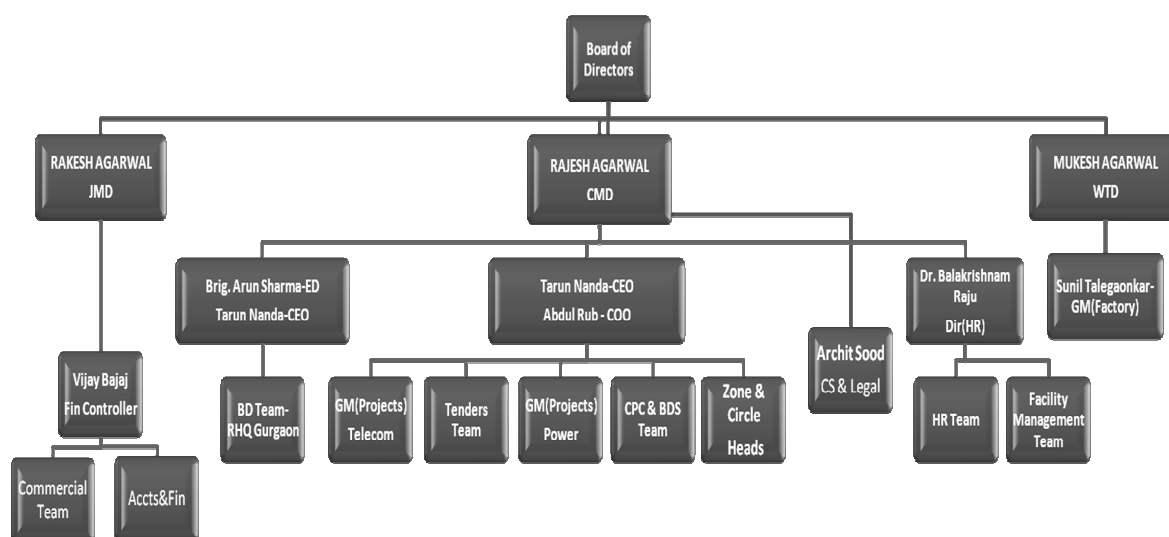
The Remuneration Committee was constituted on February 8, 2008 and was renamed as the Remuneration and Compensation Committee on May 30, 2008, pursuant to a meeting of the Board of Directors. The committee shall function in accordance with Clause 49 of the listing agreement.

Sr. No	Name of the Director	Designation	Status
1.	Mr. Narinder Sharma	Chairman	Independent Director
2.	Mr. Sanjay Baweja	Member	Independent Director
3.	Mr. Subrata Kumar De	Member	Independent Director

The Company Secretary and Compliance Officer of our Company is the secretary of the Remuneration and Compensation Committee.

- a) This committee has been constituted to perform the functions as recommended by the listing agreement and to exercise the powers, functions and duties assigned to it from time to time.
- b) The committee is responsible for appointment, re-appointment, determination/fixation of the remuneration and revision in the remuneration payable to the existing executive directors of the Company from time to time and regulate the grant of stock options to the eligible employees

Management Organisation Structure of our Company:



Key Managerial Personnel

Our Company is managed by the Board of Directors, assisted by qualified professionals. The details of key managerial personnel of our Company are as follows:

Name	Designation	Age (in years)
Dr. S. Balakrishnam Raju	Director, Human Resources and Personal Relationship	47
Mr. Tarun Nanda	Chief Executive Officer	39
Mr. Abdul Rub	Chief Operating Officer	44
Mr. Sunil Talegaonkar	General Manager and Head, Tower Factory	40
Mr. Vijay Kumar Bajaj	Financial Controller	33
Mr. Archit Sood	Company Secretary and Compliance Officer	30

The following are brief biographies of our senior management:

Dr. S. Balakrishnam Raju holds a masters degree in business administration from Osmania University, Hyderabad and a bachelors degree in law from Andhra University. He has been conferred a doctorate in management on the topic “Community Policing Initiatives in Andhra Pradesh” by Srikrishnadevaraya University, Ananthapur, Andhra Pradesh. He has over two decades of experience in human resource management, personal management, industrial relations and general administration. He is currently serving as the chairman of the Central Advisory Contract Labour Board, Ministry of Labour and Employment, Government of India and is the chairman and managing trustee of Bharat Vikas Foundation. He is also a director on the Board of M/s Reemalaxmi Mining and Energy Limited, one of our Group Companies. He has been a researcher on “Baseline Studies of Slums in Vishakhapatnam”. He has been associated with the Company on January 1, 2008. He is responsible for advising and implementing all the human resources policies of the Company and to develop and maintain the human resources of the Company. Prior to joining our Company, he was associated with Nalanda Factors and Corporate Services Private Limited as the managing director. The remuneration paid to him in fiscal 2008 is Rs. 9,00,000. This remuneration is from the period of his appointment, that is, January 2008 to March 31, 2008.

Mr. Tarun Nanda holds a bachelors’ degree in commerce from Badruka College, Hyderabad and a masters degree in business administration from Symbiosis Institute of Business Management, Pune. He has 17 years of experience in the telecom industry. Prior to joining our Company, he was associated with ICOMM Tele Limited. He has been associated with our Company since July 1, 2007. He is responsible for building up the marketing infrastructure by establishing pan India operations, overall business development and general management of the Company. The remuneration paid to him in fiscal 2008 is Rs. 18,00,000.

Mr. Abdul Rub holds a bachelors degree in civil engineering from KBN, Gulgarba. He has almost two decades of experience in the deployment of telecom projects. Prior to joining our Company, he was associated with C and C Constructions Limited. He has been associated with the Company since February 1, 2008. He is in-charge of the services division, turnkey solutions division and also the overall field operations of the Company. The remuneration paid to him in fiscal 2008 is Rs. 6.38 lacs. This remuneration is from the period of his appointment, that is, February 1, 2008 to March 31, 2008.

Mr. Sunil Talegaonkar holds a bachelors degree in mechanical engineering from Jabalpur Engineering College. He has 22 years of experience in the production line for transmission and telecommunication towers. Prior to joining our Company, he was associated with IComm Tele Limited. He has been associated with the Company since August 23, 2007. He is responsible for managing the day to day activities in our factory at Survey No. 82, 83, 92 – 95 and 107, Athevelly Village, Medchal Mandal, R. R. District, Andhra Pradesh – 501 401. The remuneration paid to him in fiscal 2008 is Rs. 12,00,000.

Mr. Vijay Kumar Bajaj is an Australian citizen and a person of Indian origin. He is a certified public accountant and holds a Masters of Business in Finance from University of Technology, Sydney. He has a decades’ of experience in the field of finance and accounts. Prior to joining our Company, he was associated with ADP Private Limited, the shipping division of John Swire and Sons Pty Limited, Rich N Rich Finance and Holdings Limited, the Smiths Snackfood Company Limited and Comp-u-Learn Tech India Private Limited. He has been associated with the Company since April 2008. He is responsible for the management of the finance and accounts departments of the Company. Since he has been associated with our Company since April 2008, no remuneration was paid to him in fiscal 2008. The remuneration payable to him in the current fiscal is Rs. 14,25,000.

Mr. Archit Sood is the Company Secretary and Compliance Officer of our Company. He is a commerce graduate from Himachal Pradesh University and is an associate member of the Institute of Company Secretaries of India. He is also holds a bachelors’ degree in law from the Faculty of Law, Delhi University. He has seven years of experience in secretarial and legal compliances. Prior to joining our Company, he was associated with Hayat Communications Private Limited and Unitech Limited. He has been associated with the Company since January 12, 2008. He is responsible for all the secretarial and legal matters of the Company. The remuneration paid to him in fiscal 2008 is Rs. 1.82 lacs. This remuneration is from the period of his appointment, that is, January 2008 to March 31, 2008.

All the Key Managerial Personnel are permanent employees of our Company.

Shareholding of Key Managerial Personnel

The following are the details of the shareholding of the Key Managerial Personnel in our Company:

Sr. No.	Name of the Key Managerial Personnel	No. of Equity Shares held
1.	Mr. Tarun Nanda	8,000
2.	Mr. Abdul Rub	4,000
3.	Dr. S. Balakrishnam Raju	4,000
4.	Mr. Vijay Kumar Bajaj	2,500
5.	Mr. Sunil Talegaonkar	2,500

Bonus and/or profit sharing plan for the Key Managerial Personnel

There is no profit sharing plan with the Key Managerial Personnel. Bonuses are given as per the bonus given to the other employees of our Company.

Changes in Key Managerial Personnel

There have been the following changes in the Key Managerial Personnel of our Company within the last three years of filing of the Draft Red Herring Prospectus:

Name of Key Managerial Personnel	Date of change	Reasons for change
Dr. S. Balakrishnam Raju	January 1, 2008	Appointment
Mr. Tarun Nanda	June 27, 2007	Appointment
Mr. Abdul Rub	February 1, 2008	Appointment
Mr. Sunil Talegaonkar	August 23, 2007	Appointment
Mr. Archit Sood	January 12, 2008	Appointment
Mr. Vijay Kumar Bajaj	April 19, 2008	Appointment

Interest of the Key Managerial Personnel

None of our key managerial personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

The following Key Managerial Personnel are directors in our Group Companies:

Sr. No	Name of Key Managerial Personnel	Name of Group Company
1.	Dr. S Balakrishnam Raju	Reemalaxmi Mining and Energy Limited

Relationship between Promoter / Directors and Key Managerial Personnel:

Mr. Rajesh Agrawal, Mr. Rakesh Agarwal and Mr. Mukesh Agarwal are full blood brothers.

Except as stated hereinabove, there is no relation between any of the Promoters / Directors and any person occupying any management positions at the board level or at one level below the board.

Employee Stock Option Scheme

For details of the Employee Stock Options Scheme, please refer to the section titled “Capital Structure” beginning on page 15 of the Draft Red Herring Prospectus.




Sales or Purchase between companies in the Promoter Group

There have been no sales or purchases between the Group companies.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters:

The Promoters of our Company are Mr. Rajesh Agrawal, Mr. Rakesh Agarwal and Mr. Mukesh Agarwal.

	<p>Mr. Rajesh Agrawal</p> <p>Passport number – F8212402,</p> <p>Voters identity number – NA,</p> <p>Driving license number is 146/HW/1992,</p> <p>Permanent Account Number – AAJPA4161B,</p> <p>Bank Account Details: HDFC Bank Limited, Bank Account No: 0421000071090</p> <p>Director's Identification Number: 00142010</p>
	<p>Mr. Rakesh Agarwal</p> <p>Passport number is E7804724,</p> <p>Voters identity number – NA,</p> <p>Driving license number – None,</p> <p>Permanent Account Number – ABGPA8811J,</p> <p>Bank Account Details: IDBI Bank Limited, Bank Account No: 002104000136624</p> <p>Director's Identification Number: 01810818</p>
	<p>Mr. Mukesh Agarwal</p> <p>Passport number is A4123358,</p> <p>Voters identity number – NA,</p> <p>Driving license number – DLFAP01035632004,</p> <p>Permanent Account Number – AAKPA1675M,</p> <p>Bank Account Details: IDBI Bank Limited, Bank Account No: 002104000136631</p> <p>Director's Identification Number: 01914734</p>

For further details of our Promoters, please refer to the section titled “Our Management” and for details of any outstanding litigation by and against them, please refer to the section titled “Outstanding Litigations and Material Developments” beginning on page 94 and page 153 respectively of the Draft Red Herring Prospectus.

We confirm that the details of the permanent account numbers, bank account numbers and passport numbers of our Promoters shall be submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with the Stock Exchanges.

Common Pursuits

For, further details on the related party transactions, to the extent of which Our Company is involved, see the section titled “Related Party Transactions” beginning on page 121 of the Draft Red Herring Prospectus.

We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, if at all and as and when they may arise.

Interest of our Promoters

Our Company has been promoted by Mr. Rajesh Agrawal, Mr. Rakesh Agarwal and Mr. Mukesh Agarwal. The Promoters may be deemed to be interested to the extent of the Equity Shares held by them, their friends and their relatives and benefit from holding directorship in Our Company.

Except as disclosed above and in the section titled “Related Party Transactions” beginning on page 121 of the Section titled “Financial Information”, the promoters of our Company have no interest other than reimbursement of expenses incurred, normal remuneration or benefits, if any.

Interest in any property acquired by our Company within two years of the date of the Draft Red Herring Prospectus.

The Promoters are not interested in any property that has been acquired by our Company within two years from the date of the Draft Red Herring Prospectus.

Payments of benefits to our Promoters during the last two years

Except as stated in the section titled “Related Party Transactions” beginning on page 121 of the Draft Red Herring Prospectus, there has been no payment of benefits to our Promoters during the last two years from the date of filing of the Draft Red Herring Prospectus.

Other Confirmations

Except as stated in the section titled “Related Party Transactions” beginning on page 121 of the Draft Red Herring Prospectus, our Company has neither made any payments in cash or otherwise to the Promoters or to firms or companies in which our Promoters are interested as members, directors or promoters nor have our Promoters been offered any inducements to become directors or otherwise to become interested in any firm or company, in connection with the promotion or formation of Our Company. Our Company has advanced loans to the Group Companies but has not received any unsecured loans from the Group Companies. No interest has been charged by our Company and the members of the Promoter Group Companies.

Our Promoters and Promoter Group, including relatives of the Promoters have confirmed that they have not been detained as willful defaulters by the RBI or any other governmental authority. Further, there are no violations of securities laws committed by our Promoters and Promoter Group in the past or are pending against them.

Companies of the promoter group referred to the BIFR/ under winding up / having negative net worth

None of the Promoter Group Companies are either referred to the BIFR or are winding up or have a negative net worth.

Sales or Purchase between companies in the Promoter Group

There have been no sales or purchases between the Group Companies except as stated in the section titled “Related Party Transactions” beginning on page 121 of the Draft Red Herring Prospectus.

Relationship amongst Board of Directors and Key Managerial Personnel

None of our Directors are related to any of our Key Managerial Personnel named in the Draft Red Herring Prospectus.

Disassociation of the Promoters from other companies in the last three years:

Pursuant to a separation agreement dated November 15, 2007 between the Promoters and Mr. Dilip Agarwal, who is a full blood brother of the Promoters, the Promoters had disassociated themselves from the following companies:

- a. Abhishek Steels Limited

- b. Gautam Rolling Mills Private Limited
- c. Rajesh Steel Industries Private Limited

The entire shareholding of the Promoters in the companies named above has been transferred to Mr. Dilip Agarwal and the Promoters have also resigned from the directorship of the above companies.

Pursuant to a family settlement deed dated July 20, 2008, our Promoters and certain individuals forming part of the Promoter Group have disassociated with all the companies and firms established and promoted by the father and uncles of the Promoter.

Consequently, our Promoters and members of the Promoter Group have no shareholding nor are interested in any companies, firm or other entities as promoter, director or partner, other than those disclosed in this section.

Apart from the above, the Promoters have not disassociated from any other company in the last three years.

Promoter Group:

The following is the list of persons who are part of our Promoter Group (due to the relationship with our Promoters) and entities promoted by the Promoters which form part of our Promoter Group. The Promoter Group consists of natural persons, HUF's, private companies and partnership firms. None of them has become a sick company under the definition of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) and are not under the process of winding up.

Promoter Group Entities:

a. The natural persons who are part of our Promoter Group (due to the relationship with our Promoters), other than the Promoters named above are as follows:

Relationship	Mr. Rajesh Agrawal	Mr. Rakesh Agarwal	Mr. Mukesh Agarwal
Father	Late Sh. Satyanarayan Agarwal	Late Sh. Satyanarayan Agarwal	Late Sh. Satyanarayan Agarwal
Mother	Smt. Shakuntala Devi Agarwal	Smt. Shakuntala Devi Agarwal	Smt. Shakuntala Devi Agarwal
Brother	Mr. Rakesh Agarwal Mr. Mukesh Agarwal Mr. Dilip Agarwal	Mr. Rajesh Agrawal Mr. Mukesh Agarwal Mr. Dilip Agarwal	Mr. Rajesh Agrawal Mr. Rakesh Agarwal Mr. Dilip Agarwal
Sister	-	-	-
Spouse	Mrs. Reema Agarwal	Mrs. Rakhee Agarwal	Mrs. Shalini Agarwal
Children	Mr. Dhruv Bansal Mr. Arnav Bansal	Vedika Bansal Aanika Bansal	Mr. Dheer Bansal
Spouse's Father	Sh. Jawahar Lal Agarwal	Sh. Kailash Gupta	Sh. Santosh Agarwal
Spouse's Mother	Smt. Usha Devi Agarwal	Smt. Pushpa Devi Gupta	Smt. Sharda Agarwal
Spouse's Brother	Mr. Naveen Agarwal	Mr. Alok Gupta Mr. Amit Gupta	Mr. Sachin Agarwal
Spouse's Sister	Mrs. Manisha Jasarapurja Mrs. Swati Praladhka	-	Ms. Priyanka Agarwal Mrs. Sheetal Agarwal Mrs. Shweta Agarwal

b. Companies promoted by the Promoters:

- a. Yograj Real Estates Private Limited

- b. Novus Real Estates Private Limited
- c. Shivaganga Infrastructures Limited
- d. I-Vantage Apac Private Limited
- e. I-Vantage India Private Limited
- f. Reemalaxmi Mining and Energy Limited
- g. CVK Developers Limited

c. Partnership firms forming part of the Promoter Group:

- a. Agarwal Developers
- b. Everest Ventures
- c. S.R.M Real Estates and Constructions

d. Trusts forming part of the Promoter Group:

- 1. Champa Devi Foundation, a charitable trust.
- 2. Big Indian's Do Karma Foundation, a charitable trust.

Other than those stated above, there are no partnership firms, trusts, HUFs, proprietorships or other entities that are part of the Promoter Group.

Details of the companies promoted by the Promoters:

1. Yograj Real Estates Private Limited

Yograj Real Estates Private Limited ("YREP") was incorporated on February 15, 2006. The registered office of YREP is located at 8-2-269/10, Suite No: 501, Trendset Towers, Road No: 2, Banjara Hills, Hyderabad- 500 034. YREP is currently carrying on the business of real estate development.

Equity Shareholding Pattern

Name of the Shareholders	No. of equity shares of the face value of Rs. 10 each	Percentage holding (%)
Mr. Rajesh Agrawal	5,000	50.00
Mr. Rakesh Agarwal	2,500	25.00
Mr. Mukesh Agarwal	2,500	25.00
Total	10,000	100.00

Board of Directors

As of date of the Draft Red Herring Prospectus, the board of directors of YREP is as follows:

Name	Nature of directorship/designation
------	------------------------------------

Mr. Rajesh Agrawal	Non – Executive Director
Mr. Rakesh Agarwal	Non – Executive Director

Financial Performance

The brief financial details of YREP extracted from the audited accounts since incorporation to the year ended March 31, 2008 are as follows:

<i>Except per share data</i>		<i>(Rs in lacs)</i>	
Particulars	For the year ending March 31, 2006	For the year ending March 31, 2007	For the year ending March 31, 2008
Equity capital	1.00	1.00	1.00
Reserves & Surplus (excluding revaluation reserves)	(0.07)	(0.20)	(0.29)
Total sales	-	-	-
Profit After Tax	(0.07)	(0.13)	(0.09)
EPS (Rs.)	(0.73)	(1.26)	(0.9)
NAV per share (Rs.)	7.95	7.02	6.45

2. Novus Real Estates Private Limited

Novus Real Estates Private Limited (“NREP”) was incorporated on August 25, 2005. The registered office of NREP is located at 8-2-269/10, Suite No: 501, Trendset Towers, Road No: 2, Banjara Hills, Hyderabad- 500 034. NREP is currently carrying on the business of real estate development.

Equity Shareholding Pattern

Name of the Shareholders	No. of equity shares of the face value of Rs. 10 each	Percentage holding (%)
Mr. S. Ramachandra Reddy	5,000	50.00
Mr. Rajesh Agrawal	2,500	25.00
Mr. Kanti Kumar Agarwal	2,500	25.00
Total	10,000	100.00

Board of Directors

As of date of the Draft Red Herring Prospectus, the board of directors of NREP is as follows:

Name	Nature of directorship/designation
Mr. Rajesh Agrawal	Non – Executive Director
Mr. Kanti Kumar Agarwal	Non – Executive Director
Mr. S. Ramchandra Reddy	Non – Executive Director

Financial Performance

The brief financial details of NREP extracted from the audited accounts since incorporation to the year ended March 31, 2008 are as follows:

*Except per share data**(Rs in lacs)*

Particulars	For the year ending March 31, 2006	For the year ending March 31, 2007	For the year ending March 31, 2008
Equity capital	1.00	1.00	1.00
Reserves & Surplus (excluding revaluation reserves)	(0.33)	(0.47)	(0.63)
Total sales	-	-	-
Profit After Tax	(0.33)	(0.14)	(0.16)
EPS (Rs.)	(3.33)	(1.38)	(1.62)
NAV per share (Rs.)	3.73	3.09	8.80

3. Shivaganga Infrastructures Limited

Shivaganga Infrastructures Limited (“SIL”) was incorporated on August 1, 2005. The registered office of SIL is located at 8-2-269/10, Suite No: 501, Trendset Towers, Road No: 2, Banjara Hills, Hyderabad- 500 034. SIL is currently carrying on the business of real estate development.

Equity Shareholding Pattern

Name of the Shareholders	No. of equity shares of the face value of Rs. 10 each	Percentage holding (%)
Mr. Rajesh Agrawal	10,05,000	57.69
Mr. Rakesh Agarwal	4,000	0.23
Mr. Mukesh Agarwal	3,500	0.20
Others	7,29,500	41.88
Total	17,42,000	100.00

Board of Directors

As of date of the Draft Red Herring Prospectus, the board of directors of SIL is as follows:

Name	Nature of directorship/designation
Mr. Rajesh Agrawal	Non – Executive Director
Mr. Rakesh Agarwal	Non-Executive Director
Mr. Ghanshyam B. Patel	Non – Executive Director
Mr. Jayanti Lal M. Patel	Non – Executive Director

Financial Performance

The brief financial details of SIL extracted from the audited accounts since incorporation to the year ended March 31, 2008 are as follows:

*Except per share data**(Rs. in lacs)*

Particulars	For the year ending March 31, 2006	For the year ending March 31, 2007	For the year ending March 31, 2008
Equity capital	5.00	105.00	174.20
Reserves & Surplus (excluding revaluation reserves)	9.26	9.39	803.17
Total sales	-	-	7.97
Profit After Tax	9.26	0.13	(2.01)
EPS (Rs.)	18.52	0.01	(0.12)
NAV per share (Rs.)	26.44	10.74	56.04

4. I-Vantage Apac Private Limited

I-Vantage APac Private Limited (“IVAP”) was incorporated on August 26, 2001. The registered office of IVAP is located at 8-2-269/10, Suite No: 501, Trendset Towers, Road No: 2, Banjara Hills, Hyderabad – 500 034. IVAP is currently carrying on the business of trading in software products.

Equity Shareholding Pattern

Name of the Shareholders	No. of equity shares of the face value of Rs. 10 each	Percentage holding (%)
Mr. Rajesh Agrawal	21,471	50.00
Ms. Reema Agarwal	21,471	50.00
Total	42,942	100.00

Board of Directors

As of date of the Draft Red Herring Prospectus, the board of directors of IVAP is as follows:

Name	Nature of directorship/designation
Mr. Rajesh Agrawal	Non – Executive Director
Ms. Reema Agarwal	Non – Executive Director
Mr. Ayush Maheshwari	Non – Executive Director
Ms. Jyoti Devi Birla	Non – Executive Director
Mr. Amit Maheshwari	Non – Executive Director

Financial Performance

The brief financial details of IVAP extracted from the audited accounts for the three financial years ended March 31, 2008 are as follows:

Except per share data

(Rs in lacs)

Particulars	For the year ending March 31, 2006	For the year ending March 31, 2007	For the year ending March 31, 2008
Equity capital	4.29	4.29	4.29

Particulars	For the year ending March 31, 2006	For the year ending March 31, 2007	For the year ending March 31, 2008
Reserves & Surplus (excluding revaluation reserves)	22.29	28.31	29.54
Total sales	15.08	45.48	1.50
Profit After Tax	(0.32)	6.02	1.23
EPS (Rs.)	(0.74)	14.03	2.86
NAV per share (Rs.)	61.90	75.93	78.79

5. I-Vantage India Private Limited

I-Vantage India Private Limited (“IVIP”) was incorporated on August 30, 2001. The registered office of IVIP is located at 8-2-269/10, Suite No: 501, Trendset Towers, Road No: 2, Banjara Hills, Hyderabad- 500 034. IVIP is currently carrying on the business of development of softwares and related services.

Equity Shareholding Pattern

Name of the Shareholders	No. of equity shares of the face value of Rs. 10 each	Percentage holding (%)
I-Vantage Inc.	39,990	80.00
Mr. Rajesh Agrawal	10,000	20.00
Ms. Jyoti Devi Birla	10	0.00
Total	50,000	100.00

Board of Directors

As of date of the Draft Red Herring Prospectus, the board of directors of IVIP is as follows:

Name	Nature of directorship/designation
Mr. Rajesh Agrawal	Non – Executive Director
Mr. Rakesh Agarwal	Non – Executive Director
Mr. Amit Maheshwari	Non – Executive Director

Financial Performance

The brief financial details of IVIP extracted from the audited accounts for the three financial years ended March 31, 2008 are as follows:

Except per share data

(Rs. in lacs)

Particulars	For the year ending March 31, 2006	For the year ending March 31, 2007	For the year ending March 31, 2008
Equity capital	4.00	4.00	5.00
Reserves & Surplus (excluding revaluation reserves)	89.89	96.10	89.83
Total sales	636.14	363.19	221.58

Particulars	For the year ending March 31, 2006	For the year ending March 31, 2007	For the year ending March 31, 2008
Profit After Tax	32.69	6.22	(1.51)
EPS (Rs.)	81.71	15.54	(3.03)
NAV per share (Rs.)	234.71	250.26	189.65

6. Reemalaxmi Mining and Energy Limited

Reemalaxmi Mining and Energy Limited (“RMEL”) was incorporated on November 20, 2006. The registered office of RMEL is located at 8-2-269/10, Suite No: 501, Trendset Towers, Road No: 2, Banjara Hills, Hyderabad-500 034. RMEL has been incorporated for the purposes of carrying on mining and other energy related businesses.

Equity Shareholding Pattern

Name of the Shareholders	No. of equity shares of the face value of Rs. 10 each	Percentage holding (%)
Mr. Rajesh Agrawal	10,000	20.00
Mr. Rakesh Agarwal	10,000	20.00
Mr. Mukesh Agarwal	10,000	20.00
Mrs. Rakhee Agarwal	5,000	10.00
Mrs. Reema Agarwal	5,000	10.00
Mrs. Shalini Agarwal	5,000	10.00
Mrs. Shakuntala Agarwal	5,000	10.00
Total	50,000	100.00

Board of Directors

As of date of the Draft Red Herring Prospectus, the board of directors of RMEL is as follows:

Name	Nature of directorship/designation
Mr. Rajesh Agrawal	Non – Executive Director
Mr. Rakesh Agarwal	Non – Executive Director
Mr. Mukesh Agarwal	Non – Executive Director

Financial Performance

The brief financial details of RMEL extracted from the audited accounts since incorporation to the financial year ended March 31, 2008 are as follows:

Except per share data

Particulars	For the year ending March 31, 2007	(Rs. in lacs) For the year ending March 31, 2008
Equity capital	5.00	5.00
Reserves & Surplus (excluding	-	(0.23)

Particulars	For the year ending March 31, 2007	For the year ending March 31, 2008
revaluation reserves)		
Total sales	-	-
Profit After Tax	(0.12)	(0.12)
EPS (Rs.)	(0.23)	(0.24)
NAV per share (Rs.)	9.09	9.02

7. CVK Developers Limited

CVK Developers Limited (“CVK”) was incorporated on April 13, 2007. CVK received the certificate of commencement of business on April 20, 2007. The registered office of CVK is located at 8-2-269/10, Suite No: 501, Trendset Towers, Road No: 2, Banjara Hills, Hyderabad- 500 034. CVK has been incorporated for carrying on the business of builders, developers and developers of civil constructors.

Equity Shareholding Pattern

Name of the Shareholders	No. of equity shares of the face value of Rs. 10 each	Percentage holding (%)
Mr. Shivagagna Infrastructures Limited	33,293	66.59
Mr. Rajesh Agrawal	10	0.02
Mr. Kanti Kumar Agarwal	10	0.02
Mr. Rakesh Agarwal	10	0.02
Ms. Savita Agarwal	10	0.02
Ms. K. C. Venkateshwarulu	16,000	32.00
Ms Shravani Kosana	667	1.33
Total	50,000	100.00

Board of Directors

As of date of the Draft Red Herring Prospectus, the board of directors of CVK is as follows:

Name	Nature of directorship/designation
Mr. Rajesh Agrawal	Non – Executive Director
Mr. Kanti Kumar Agarwal	Non – Executive Director
Mr. China Venkateswarlu Kosana	Non – Executive Director

Financial Performance

The brief financial details of CVK extracted from the audited accounts since incorporation to the financial year ended March 31, 2008 are as follows:

<i>Except per share data</i>		(Rs. in lacs)
Particulars	For the year ending March 31, 2008	

Particulars	For the year ending March 31, 2008
Equity capital	5.00
Reserves & Surplus (excluding revaluation reserves)	(0.13)
Total sales	-
Profit After Tax	(0.13)
EPS (Rs.)	(0.25)
NAV per share (Rs.)	9.00

Details of partnership firms forming part of our Group:

1. Agarwal Developers

Agarwal Developers is a partnership firm formed under a deed of partnership dated April 1, 2006. The office of Agarwal Developers is located at 1-8-206, 2nd floor, Masetty Plaza, P.G Road, Secunderabad, 500 003. Agarwal Developers are currently carrying on the business of real estate development.

Partners and profit sharing ratio

The following are the partners of Agarwal Developers and their profit sharing ratio:

Name of the Partners	Profit Sharing ratio (%)
Mr. Rajesh Agrawal	40.00
Mr. Rakesh Agarwal	30.00
Mr. Mukesh Agarwal	30.00
Total	100.00

Financial Performance

The brief financial details of Agarwal Developers extracted from the audited accounts for the three financial years ended March 31, 2008 are as follows:

Except per share data

(Rs. in lacs)

Particulars	For the year ending March 31, 2007	For the year ending March 31, 2008
Total Income	185.57	Nil
Profit/ loss after taxation	(97.76)	(8,028)
Partners capital (Overdrawn)	(78.76)	(1,326.36)

2. Everest Ventures

Everest Ventures is a partnership firm formed under a deed of partnership dated July 12, 2005. The office of Everest Ventures is located at 59, Jupiter Colony, Sikh Village, Secunderabad 500 009. Everest Ventures was formed for the purposes of real estate development of Survey No. 4, Pukkillawada Village, Ranga Reddy District, Andhra Pradesh.

Partners and profit sharing ratio

The following are the partners of Everest Ventures and their profit sharing ratio:

Name of the Partners	Profit Sharing ratio (%)
Mr. Sanjay Goel	30.00
Mr. Rajesh Agrawal	30.00
Mr. Purushottam Agarwal	20.00
Mr. Salim T. Chudiwala	20.00
Total	100.00

Financial Performance

The firm has not carried on any business since formation and as such, there is no financials to report.

3. S.R.M Real Estates and Constructions

S.R.M Real Estates and Constructions is a partnership firm formed under a deed of partnership dated August 12, 2005. The office of S.R.M Real Estates and Constructions is located at H. No. 8-2-808/19, Road No. 10, Banjara Hills, Hyderabad – 500 034. S.R.M Real Estates and Constructions was formed for the purposes of construction related activities and the sale, purchase and development of real estate.

Partners and profit sharing ratio

The following are the partners of S.R.M Real Estates and Constructions and their profit sharing ratio:

Name of the Partners	Profit Sharing ratio (%)
Mr. S. Ramachandra Reddy	15.00
Mr. R. Madhusudhan Reddy	15.00
Shivaganga Infrastructures Limited	65.00
Mr. K Shrinivas	5.00
Total	100.00

Financial Performance

The firm has not carried on any business since formation and as such, there is no financials to report.

Apart from the above, the following trusts form part of our Promoter Group:

1. Champa Devi Foundation, a charitable trust.

Formed on: February 4, 2008

Founders:

- a. Mr. Rajesh Agrawal
- b. Mr. Rakesh Agarwal
- c. Mr. Mukesh Agarwal

Trustees:

Ms. Reema Agarwal (President)

Mr. Rakesh Agarwal (Secretary)

Mr. Rajesh Agrawal

Ms. Rakhee Agarwal

Mr. Mukesh Agarwal

Ms. Shalini Agarwal

2. Big Indian's Do Karma Foundation, a charitable trust.

Formed on: August 25, 2006

Founders:

Mr. Ayush Maheshwari

Mr. Rajesh Agrawal

Trustees:

Mr. Ayush Maheshwari (President)

Mr. Rajesh Agrawal (Secretary)

Ms. Jyoti Devi Birla

Ms. Reema Agarwal

Sick companies

None of the Promoter Group Companies/ partnership firms listed above has been declared as sick industrial unit within the meaning of clause (o) of subsection (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985 or have been restrained by SEBI or any other regulatory authority in India from accessing the capital markets for any reason.

None of the Promoter Group Companies/ partnership firms listed above is not in the process of winding up.

None of the Promoter Group Companies/ partnership firms listed above have made a public/ rights issue of their equity shares since inception.

Except as disclosed in this section, none of the Promoter Group companies have a negative net worth. Further, no application has been made by any of them to the RoC to strike off their names from the RoC's records.

RELATED PARTY TRANSACTIONS

(Rs. in lacs)									
S.No.	Party Name	Nature of Relationship	Nature of Transaction	As at 31st March					
				2008		2007		2006	
				Trans. Amount	Amount O/s.	Trans. Amount	Amount O/s.	Trans. Amount	Amount O/s.
a]	BS Integrated Steel Products Private Limited	Promotor Group Company	Purchases	-	-	-	-	186,811	186,811
b]	Abhishek Steels Limited	Promotor Group Company	Purchases	-	-	47,978,067	-	75,988,667	4,035,392
c]	Gautam Rolling Mills Private Limited	Promotor Group Company	Purchases	-	-	977,426	-	37,569	-
d]	BS Integrated Steel Products Private Limited	Promotor Group Company	Interest Paid	-	-	-	-	-	-
e]	Yash Ispat Private Limited	A Company in which relative of Director is Interested	Purchases	-	-	-	-	-	-
f]	Rakesh Agrawal	Promotor	Remuneration	1,500,000	-	600,000	-	480,000	383,814
g]	Mukesh Agrawal	Promotor	Remuneration	1,500,000	150,050	600,000	-	480,000	413,190
h]	Abhishek Steels Limited	Promotor Group Company	Delayed Payment Charges Paid	-	-	229,059	-	582,362	-
i]	Vrinda Agencies	Promotor Group Firm	Interest Paid	-	-	-	-	-	-
j]	Rajesh Agrawal	Promotor	Remuneration	2,100,000	1,393,463	600,000	-	-	-
k]	Rakhee Agrawal	Relative of the Director	Salaries/(Advance Given)	(55,000)	(55,000)	180,000	-	(55,000)	-
l]	Reema Agrawal	Relative of the Director	Salaries/(Advance Given)	(55,000)	(55,000)	180,000	-	(55,000)	-
m]	Shalini Agrawal	Relative of the Director	Salaries	-	-	180,000	-	-	-
n]	Rajesh Agrawal	Promotor	Interest Paid	-	-	1,103,398	978,383	-	-
o]	Brig. Arun Kumar Sharma	Executive Director	Remuneration	2,212,200	419,072	-	-	-	-
p]	Shivganga Infrastructures Ltd.	Promotor Group Company	Advance (given)	(4,500,000)	(4,500,000)	(19,502,806)	-	-	-
q]	Agrawal Developers	Promotor Group Firm	Advance (given)/Taken	(20,000,000)	-	(25,138,200)	-	3,500,000	-

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial position. Our Company has no stated dividend policy.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements we may enter into to finance our various projects and also the fund requirements for our projects.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

AUDITORS' REPORT

To
The Board of Directors,
BS TransComm Limited,
504, 5th Floor, Trendset Towers,
Road No.2, Banjara Hills,
Hyderabad – 500 034.

Dear Sirs,

- 1) We have examined the attached financial information of BS TransComm Limited, as approved by the Board of Directors of the Company, prepared in terms of the requirements of Paragraph B, Part II of Schedule II of the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 as amended to date (SEBI Guidelines) and in terms of our engagement agreed upon with you in accordance with our engagement letter dated 21st April, 2008 in connection with the proposed issue of Equity shares of the Company.
- 2) These information have been extracted by the Management from the financial statements for the years ended March 31, 2004, 2005, 2006, 2007 and 2008. Audit for the financial years ended March 31, 2004, 2005 and 2006 was conducted by previous auditors, M/s. P.K. Bajaj & Co., and for the financial year ended March 31, 2007 was conducted by previous auditors M/s. S.K.Bang & Co., These Financial statements have been approved / adopted by the Board of Directors / Members for the respective years and accordingly reliance has been placed on the financial information examined by them for the said years. The financial information included for the years, 2004, 2005, 2006 and 2007 are based solely on the report submitted by the previous auditors for the respective years. The previous auditors also confirmed that the restated financial information has been made after incorporating:
 - (a) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.
 - (b) Adjustments for the material amounts in the respective financial years to which they relate.
 - (c) And there are no extra-ordinary items that need to be disclosed separately in the accounts and qualification requiring adjustments.
- 3) In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you, we further report that:
 - (a) The Restated Summary Statement of Assets and Liabilities of the Company, including as at March 31, 2004, 2005 and 2006 examined and reported upon by M/s P.K.Bajaj & Co., and March 31, 2007 examined and reported upon by M/s S.K.Bang & Co., on which reliance has been placed by us, and as at March 31, 2008 examined by us, as set out in Annexure-I to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexure-III A&B).
 - (b) The Restated Summary Statement of Profit or Loss of the Company for the years then ended, including for the year ended March 31, 2004, 2005 and 2006 examined by M/s P.K.Bajaj & Co., and who have submitted their report on which reliance has been placed by us and for the year ended March 31, 2007 examined by M/s S.K.Bang & Co., and who have submitted their report on which reliance has been placed by us and for the year ended March 31, 2008 examined by us, as set out in Annexure-II to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Note and Changes in Significant Accounting Policies (Refer Annexure-III A&B).

(c) Based on above and also as per the reliance placed on the Reports submitted by the previous auditors, M/s. P.K.Bajaj & Co., and M/s. S.K.Bang & Co., for the respective years, we are of the opinion that the restated financial information have been made after incorporating:

- (i) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting periods.
- (ii) Adjustments for the material amounts in the respective financial years to which they relate.
- (iii) And there are no extra-ordinary items that need to be disclosed separately in the accounts and qualification requiring adjustments.

(d) We have also examined the following other financial information setout in Annexures prepared by the management and approved by the Board of Directors relating to the Company for the year ended March 31 2008. In respect of the years ended March 31 2004, 2005, 2006 and 2007 the information have been included based upon the Reports submitted by previous auditors M/s P.K.Bajaj & Co., and M/s. S.K.Bang & Co., for the respective years and relied upon by us.

- (i) Statement of Dividend paid/proposed included in Annexure –IV.
- (ii) Statement of Accounting Ratios included in Annexure-V.
- (iii) Statement of Capitalization as at March 31, 2008 included in Annexure-VI.
- (iv) Statement of Secured and Unsecured Loans included in Annexure-VII.
- (v) Statement of Other Income included Annexure -VIII.
- (vi) Statement of Tax Shelter included in Annexure –IX.
- (vii) Cash Flow Statement in Annexure – X
- (viii) Statement of Sundry Debtors in Annexure – XI
- (ix) Statement of Loans and Advances in Annexure –XII
- (x) Statement of Related Parties in Annexure – XIII
- (xi) Statement of Current Liabilities and Provisions in Annexure –XIV
- (xii) Statement of Contingent Liabilities in Annexure – XV
- (xiii) Statement of Investments in Annexure - XVI

In Our opinion the financial information contained in Annexure I to XVI of this report read along with the Significant Accounting Policies, Changes in Significant Accounting Policies and Notes (Refer Annexure III A & B) prepared after making adjustments and regrouping as considered appropriate have been prepared in accordance with Part II (B) of Schedule II of the Act and the SEBI Guidelines.

- 4) Our Report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed issue of equity shares of the Company and our report should not be used for any other purpose except with our prior written consent.

FOR M.BHASKARA RAO & CO.,
CHARTERED ACCOUNTANTS

Date: 22 -09 -2008

Place: Hyderabad

(ANIL KUMAR MEHTA)
PARTNER
MEMBERSHIP NO. 14284

ANNEXURE-I					
Statement of Assets and Liabilities, as Restated					
The statement of Assets & Liabilities of the Company, as restated as at March 31, 2008, 2007, 2006, 2005 and 2004 is as set out below:					
(Rs. in lacs)					
	As at 31st March				
Particulars	2008	2007	2006	2005	2004
Assets					
A. Fixed Assets					
Gross Block	3062.84	2772.56	14.22	14.16	3.98
Less: Depreciation	403.09	40.50	4.58	1.49	0.26
Net Block	2659.75	2732.06	9.64	12.67	3.72
Less: Revaluation Reserve	0.00	0.00	0.00	0.00	0.00
Net Block after adjustment of Revaluation Reserve	2659.75	2732.06	9.64	12.67	3.72
B. Investments	54.21	0.00	0.00	0.00	0.00
C. Current Assets, Loans & Advances					
Inventories	3663.91	875.66	19.24	3.65	2.07
Sundry Debtors	10914.60	6237.07	2344.90	589.63	365.64
Cash & Bank Balances	202.52	65.41	0.45	0.21	8.68
Loans & Advances	661.35	938.90	288.80	28.64	23.28
Other Current Assets	566.53	115.67	97.18	4.41	1.06
Total Current Assets	16008.91	8232.71	2750.57	626.54	400.73
Deferred Tax Asset	0.00	0.00	0.28	0.00	0.00
Total Assets(A)	18722.87	10964.77	2760.49	639.21	404.45
Liabilities and Provisions					
Secured loans	6258.56	4136.32	605.11	6.56	0.00
Unsecured loans	0.00	0.00	17.45	308.57	114.78
Deferred Tax Liability	48.06	49.53	0.00	0.21	0.06
Total Current Liabilities & Provisions	7728.88	4094.75	1471.79	252.04	285.20
Share Application Money	0.00	1775.64	58.60	62.00	0.00
Share Suspense Account	0.00	14.00	-	-	-
Total Liabilities (B)	14035.50	10070.23	2152.95	629.38	400.04
Networth	4687.36	894.54	607.53	9.83	4.42
Represented by					
1.Share Capital	1413.50	580.00	580.00	1.00	1.00
2.Reserves & Surplus (see Note2)	3273.86	314.53	27.53	8.83	3.42
Less:Revaluation Reserves	-	-	-	-	-
Reserves(Net of Revaluation Reserve)	3273.86	314.53	27.53	8.83	3.42
Networth	4687.36	894.54	607.53	9.83	4.42
1. The above statement should be read with notes on adjustments ANNEXURE to restated financial statements, Significant accounting policies and notes to accounts appearing in Annexure-III A & B					
2. Reserves & Surplus for 2007 excludes Rs.13.00 Lakhs adjustment on amalgamation of BS Integrated Steel Products Private Limited					

Annexure-II					
Statement of Profit and Loss, As Restated					
The statement of profit and loss of the company as restated for the financial year ended March 31, 2008, 2007, 2006, 2005 and 2004 is as set out below:					
<i>(Rs. in lacs)</i>					
	For the year ended 31 March				
Particulars	2008	2007	2006	2005	2004
Income					
Sales:					
Sale of Manufactured Goods	6,787.87	144.47	-	-	-
Sale of Traded Goods	35,452.32	19,640.92	13,500.63	4,148.66	2,277.53
Turnkey Services	319.50	-	-	-	-
Total	42,559.69	19,785.39	13,500.63	4,148.66	2,277.53
Other Income	330.71	135.70	43.86	20.12	9.59
Increase/(Decrease) in inventories	871.15	183.89	15.62	1.57	2.06
Total Income	43,761.55	20,104.98	13,560.11	4,170.35	2,289.18
Expenditure					
Raw material consumed	38,945.02	19,205.67	13,381.02	4,063.34	2,193.72
Staff Costs	270.99	37.39	14.06	8.40	4.48
Employee Benefit Expenses	7.75	0.23	0.18	0.06	0.04
Other Manufacturing Costs	1,005.86	150.02	85.91	35.03	47.07
Administration & Selling Expenses	272.38	69.30	27.01	43.49	33.32
Miscellaneous Expenditure written off	-	1.81	3.84	0.80	0.34
Interest	771.49	224.11	8.28	9.10	4.10
Depreciation	362.59	35.93	3.09	1.23	0.25
Total Expenditure	41,636.07	19,724.46	13,523.39	4,161.44	2,283.32
Net Profit Before Tax and Extra ordinary items	2,125.48	380.52	36.72	8.92	5.87
Less: Taxation	736.00	70.00	17.50	3.35	2.40
Less: Excess Provision written back-Taxation	-	(26.43)	-	-	-
Less: Provision for Deferred Tax	(1.46)	49.80	(0.48)	0.15	0.05
Less: Provision for Fringe Benefit Tax	2.95	0.90	1.00	-	-
Net Profit after Tax as restated(A)	1,387.99	286.24	18.70	5.42	3.42
Profit brought forward from the last year(B) (see Note 2)	327.53	41.29	8.83	3.42	-
Profit after Tax available for Appropriations (A)+(B)	1,715.51	327.53	27.53	8.83	3.42

Note:

1. The above statement should be read with notes on adjustments ANNEXURE to restated financial statements, Significant accounting policies and notes to accounts appearing in Annexure-III A & B
2. The statement of profit and loss referred above does not include any extra ordinary items.
3. Profit brought forward for 2007 includes Rs.13.76 lakhs adjustment on amalgamation of B.S. Integrated Steel Products Private Ltd.
4. Sales for the year 2004, 2005 & 2006 represents trading activity.

Annexure – III A

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

1) Accounting Conventions

The financial statements are prepared under the historical cost conventions in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956 as adopted consistently by the Company. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

2) Revenue Recognition

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer.

3) Fixed Assets

Fixed Assets are stated at cost of acquisition as reduced by accumulated depreciation. All costs including financial costs up to the date of commissioning and attributable to the fixed assets are capitalized apart from taxes, freight and other incidental expenses related to the acquisition and installation of the respective fixed assets.

4) Depreciation

Depreciation on Fixed Assets including on the additions is provided on written down basis at the rates specified in the Schedule XIV to the Companies Act, 1956.

5) Inventories

Inventories are valued as under.

- i) Raw materials, stores and spares - at cost.
- ii) Finished Goods and work-in-progress - at cost or net realizable value whichever is lower.
- iii) Trading Goods - at cost or net realizable value whichever is lower.
- iv) Scrap - at net realizable value.

6) Investments

Long Term Investments are stated at cost. Cost includes registration and other direct expenses. Provision for diminution other than temporary in the value of Long Term Investments is made in the accounts.

7) Excise Duty

Excise duty on Inventory of finished goods is considered for valuation of closing stock.

8) Taxes on Income

Income tax liability for the year is calculated in accordance with the relevant tax laws and regulations applicable to the Company.

The deferred tax for the timing difference between book profits and tax profits for the year is accounted for using the tax rates and laws that have been substantially enacted as at Balance Sheet date.

9) Prior Period Items

Material items of prior period income/expenses, non-recurring and extra-ordinary items are disclosed separately.

10) Contingencies

Loss contingencies arising from claims, litigation, assessments, fines, penalties, etc., are provided for when it is probable that a liability may be incurred and the amount can be reliably estimated.

11) Cenvat Credit

Cenvat Credit available on the material inputs is adjusted against consumption. Cenvat credit available on capital goods is adjusted against cost of fixed assets. Cenvat credit remaining unutilized is shown as receivables under Loans and Advances.

12) Retirement Benefits

Liability in respect of retirement benefits is provided and charged to the Profit & Loss Account as follows:

Gratuity – Liability in respect of Gratuity to employees is provided on accrual basis in accordance with the payment of Gratuity Act, 1972.

Leave Encashment – Liability in respect of Leave Encashment is provided on accrual basis, determined at the year end.

Provident Fund – Provident Fund is administered through the Regional PF office and Company's contribution is remitted accordingly.

13) Earning per Share (EPS)

The Company reports its earning per share (EPS) in accordance with Accounting Standard – 20 issued by the Institute of Chartered Accountants of India.

II. NOTES ON ACCOUNTS

1) Change of Name of the Company

The name of the Company stands changed to BS TransComm Ltd with effect from 7th day of February 2008 and the word "Private" is deleted from the name. The company was incorporated as B.S. Steels & Minerals Private Ltd and had changed its name to BS TransComm Private Ltd effective 24th day of January 2008. The necessary approvals from Registrar of Companies have been obtained.

2) Amalgamation

During the current year the Hon'ble High court of Andhra Pradesh, Hyderabad, passed orders dated 13th day of October 2007 sanctioning the scheme of arrangement of the company (Under Sec 391 & 394 of the companies act, 1956) seeking merger of B.S. Integrated Steel Products Private Ltd into B.S. Steels & Minerals Private Ltd. The appointed date 1st April 2006 was confirmed and, the company has complied with the orders of the Hon'ble High court of Andhra Pradesh.

The Assets, Liabilities and results of operation were incorporated in the accounts of Company for the year ended 31st March 2007 pending receipt of the orders. The difference between purchase consideration and net assets was adjusted to general reserves as at 31st March 2007. The shares (140,000 no's) to be issued to the shareholders of transferor company was held in share capital suspense account pending receipt of the order of the Hon'ble High court as at 31st March 2007. The amount has since being transferred to share capital as fully paid up shares upon receipt of the Orders of the Hon'ble High court of Andhra Pradesh, Hyderabad.

3) Contingent Liabilities not provided for

	As at 31.03.2008 (Rs. in lacs)	As at 31.03.2007 (Rs. in lacs)
i) Bills Discounted and Counter Guarantees given to Banks	2,500.00	50.00
ii) Bank Guarantees given by Banks	9.20	NIL
iii) Claims contested by the company	5.00	NIL
iv) Claims by Customs & Income Tax	NIL	NIL

4) Estimated amount of Contracts remaining to be executed on capital account and not provided for (net of advances) NIL NIL

4) Security Premium

The Company has during the year increased its Authorised Capital from 6,000,000 shares of Rs.10/- each to 20,000,000 shares of Rs. 10/- each pursuant to a Resolution of the Members of the Company at the EGM held on 6th April 2007.

Further the paid up capital of the company stands increased consequent to Issue and allotment of Shares as stated below:

Sl.No	Date of Allotment of Shares	No. of Shares Allotted	Issue Price (Rs.10 + share premium) (Rupees)
1	10 th Apr 07	952,600	Rs.150/- (Rs.10 +140)
2	22 nd Dec 07	140,000	On amalgamation
3	17 th Mar 08	6,892,600	Bonus 1:1
4	31 st Mar 08	349,800	Rs.275/- (Rs. 10 + 265)

Consequent to the above the security premium account under Reserves & Surplus stands at Rs.157,135,000/- net of Rs. 68,926,000/- towards Bonus shares issued by transfer from security premium account.

6) Secured Loans

- Term Loan from Industrial Development Bank of India Limited is secured by first mortgage and charge on all fixed assets, both present and future of the company situated at Survey No. 82,83, 92 - 95 & 107, Athvelly Village, Medchal Mandal, R.R.Dist. - 504 401.
- Working Capital loans including Cash Credit are secured by first exclusive charge on stocks, receivables, spares, consumables and other current assets of the Company, present and future, Second charge on fixed assets of the company.

All the above loans are secured by an irrevocable and unconditional:

- Corporate guarantee of i-Vantage India Private Ltd, and
- Personal guarantees of Shri Rajesh Agrawal (Managing Director), Shri Rakesh Agarwal (Joint Managing Director) and Shri Mukesh Agarwal (Whole time Director) of the Company.

Further the above Loans are secured by pledge of 30% of equity shares of the company held by promoters as collateral security ranking pari-passu.

7) Sundry Creditors

Dues to Small Scale Industrial Undertakings exceeding 30 days aggregate to Rs. NIL (Previous Year: Rs. NIL)

8) Particulars of Managerial Remuneration (in Rupees)

Particulars	Year ended 31.03.2008				Year ended 31.03.2007			
	Managing Director Mr. Rajesh	Joint Managing Director Mr. Rakesh	Whole-time Director Mr. Mukesh	Executive Director Brig. Arun Kumar Sharma	Managing Director Mr. Rajesh	Joint Managing Director Mr. Rakesh	Whole-time Director Mr. Mukesh	Executive Director Brig. Arun Kumar Sharma
Salary	21,00,000	15,00,000	15,00,000	22,12,200	6,00,000	6,00,000	6,00,000	NIL
Perquisites & other benefits	-	-	-	-	-	-	-	-
PF & other funds	-	-	-	-	-	-	-	-
Total	21,00,000	15,00,000	15,00,000	22,12,200	6,00,000	6,00,000	6,00,000	NIL

9) Auditors' Remuneration

Particulars	Year ended 31-03-2008	Year ended 31-03-2007
Audit Fees	150,000	80,000
Tax Audit Fees	50,000	10,000
Certification & Others	-	10,000
Service Tax	24,720	12,240
Total	224,720	112,240

10) As per accounting standard (AS-18) on Related Party Disclosures issued by the Institute of Chartered Accountants of India, the disclosure of transactions with the related parties as defined in the Accounting standard are given below:

I) List of Related parties with whom transactions have taken place and nature of relationship:

- | | | |
|---------------------------------------------------------------------------|---|--------------------------------|
| i) Key management personnel | : | Mr. Rajesh Agrawal |
| | : | Mr. Rakesh Agarwal |
| | : | Mr. Mukesh Agarwal |
| | : | Brig. Arun Kumar Sharma |
| ii) Relatives of Key management personnel | : | Mrs. Reema Agarwal |
| | : | Mrs. Rakhee Agarwal |
| iii) Concerns in which Key management personnel have substantial interest | : | Shivganga Infrastructures Ltd. |
| - (significant interest entities) | : | Agrawal Developers |

II) Aggregated related party transactions:

Sl. No.	Particulars	Associate Companies	Key Management Personnel	Relatives of Key Management Personnel
1.	Remuneration	-	73,12,200	-
2.	Advances given	2,45,00,000	-	1,10,000

11) Additional information pursuant to the provision of paragraphs 3, 4C & 4D of Part II of Schedule VI of the Companies Act, 1956 is as under:

(A) Capacity & Production:

	Year ended 31.3.2008 Delicensed	Year ended 31.03.2007 Delicensed
a) Licensed capacity *	-	-
b) Installed capacity (as certified by the Management & relied upon by the auditors being a technical matter)		
Towers Manufacturing (Tonnes per annum)	36,000	36,000
Actual Production	24,034	657

* The Products manufactured by the company are under De-licensed category.

(B) Production/ Sales & Stock:

As at 31.03.2008 Quantity (Tonnes) (Rs. in lacs)	As at 31.03.2007 Quantity (Tonnes) (Rs. in lacs)	Value
--------------------------------------------------------	--------------------------------------------------------	-------

c)	Opening Stock of				
	- Goods	616.976	246.88	73.998	19.25
	(Includes Traded Goods)	(235.532)			
d)	Closing Stock of				
	- Goods	3425.088	1,649.11	616.976	246.88
	(Includes Traded Goods)	(1599.459)			
e)	Production/ Dealt	112616.903	--	67461.961	--
f)	Sales	111044.056	42,019.05	67315.673	19,777.06
	(Includes Traded Goods)	(98512.988)			

(C) Raw Material Consumed:

	As at 31.03.2008		As at 31.03.2007	
	Quantity (Tonnes)	Value (Rs. in lacs)	Quantity (Tonnes)	Value (Rs. in lacs)
g) Raw Material Consumed *				
- Steel	15757.983	4,205.42	709.389	66.57

* There is no individual item of Raw Material consumed exceeding 10% of the total value of Raw Material Consumed

(D) Value of Raw Material Consumed (Imported & Indigenous) and Components & Spare parts:

	As at 31.03.2008		As at 31.03.2007	
	%	Value in Lacs	%	Value in Lacs
h) Raw Material consumed				
Imported	0.00	0.00	0.00	0.00
Indigenous	100.00	4,205.42	100.00	66.57
	-----	-----	-----	-----
Total	100.00	4,205.42	100.00	66.57
	-----	-----	-----	-----
i) Value of Imported Components & Spare parts	NIL	NIL	NIL	NIL

12) Earning per Share (EPS)

Particulars	Current Year	Previous Year
Profit after Tax during the year (Rs.)	140,538,673	25,998,866
Earnings available to Equity Shareholders	140,538,673	25,998,866
Number of Shares taken for computation of EPS		
- Basic		
- Diluted	13,661,365	5,800,000
	13,661,365	17,696,400
Earning per Share		
- Basic	10.29	4.48
- Diluted	10.29	1.47

13) Deferred Taxation

Deferred Tax is accounted in respect of the timing difference on a Liability method. Deferred Tax asset has been recognized to the extent of virtual certainty of its realization.

(Rupees)

Particulars	Deferred Tax Asset/ (Liability) as on 31.03.2008	Deferred Tax Asset/ (Liability) as on 31.03.2007
Deferred Tax Liability		

on account of time difference in		
i) Depreciation	(50,85,528)	(49,69,791)
Deferred Tax Asset on account of time difference in		
i) Provision for Leave Encashment & Gratuity	5,39,384	--

14) Segment Reporting

The Company's main business segment is Manufacture of Telecom & Transmission related towers and trading in steel. Hence, separate disclosure as required under accounting standard – 17 “Segmental Reporting” is not considered.

15) Misc. Expenditure

Heretheto Company was amortizing Preliminary Expenditure over a period of 5 years. During the year the Company has written off the entire expenditure inline with Accounting Standard – 26.

16) Donation includes Rs. 15,000/- given to Communist Party of India (CPI) (Previous year NIL)

17) Balances relating to Debtors, Creditors, Loans and Advances are subject to reconciliation & confirmation.

18) Figures for the previous year have been regrouped / recast wherever necessary to conform to the current year presentation/ classification.

19) Figures are rounded off to the nearest rupee. Figures in bracket represent credit/ deductions to the extent applicable.

ANNEXURE –III B

NOTES TO ADJUSTMENTS CARRIED OUT IN RESTATED FINANCIAL STATEMENTS

1. Prior period items have been adjusted to reflect the same in the accounting year to which it relates. Accordingly, the restated profit & loss account is adjusted with corresponding effect in the carrying amount of reserves and surplus and Net Current Assets as per the Adjustment given below.

(Rs. in lacs)

Particulars	2007-08	2006-07	2005-06	2004-05	2003-04
Net Profit after Tax but before Extra Ordinary Items & Prior period Expenses	1,405.40	259.98	21.67	6.03	3.72
Adjustment in Preliminary Expenses	3.68	(0.02)	2.85	0.57	0.27
Adjustment in Gratuity/Leave encashment	(8.12)	0.23	0.18	0.06	0.04
Adjustment in Tax – excess provision written back	(26.43)	26.43	0.00	0.00	0.00
Adjustment in Deferred tax	2.78	(0.07)	(0.06)	(0.02)	(0.01)
Adjusted Profit	1,387.99	286.24	18.70	5.42	3.42

Changes in Accounting Policy:

- a) Pursuant to the Accounting Standard 15 (revised) on Employee benefits issued by The Institute of Chartered Accountant of India. The company has started providing for Gratuity from the year 2007-08 based on actuarial valuation.
- b) The Company has changed Accounting policy for writing off of Preliminary expenses over a period of 5 years to writing off of expenses as and when incurred inline with Accounting Standard 26.

ANNEXURE-IV					
STATEMENT OF DIVIDEND PAID					
	(In Lakhs)				
	For the year ended 31 March				
Particulars	2008	2007	2006	2005	2004
Equity Share Capital (<i>Rs. in lacs</i>)	1413.5	580	580	1	1
No. of Equity Shares of Rs.10 each (<i>Rs. in lacs</i>)	141.35	58	58	0.1	0.1
Rate of Dividend (%)	-	-	-	-	-
Interim (%)	-	-	-	-	-
Final (%)	-	-	-	-	-
Amount of Dividend on Equity Shares	-	-	-	-	-
Interim (<i>Rs. in lacs</i>)	-	-	-	-	-
Final (<i>Rs. in lacs</i>)	-	-	-	-	-
Total Dividend Tax (<i>Rs. in lacs</i>)	-	-	-	-	-

Annexure-V					
SUMMARY OF ACCOUNTING RATIOS					
(In Lakhs)					
PARTICULARS	For the year ended March 31				
	2008	2007	2006	2005	2004
Profit After adjustment before Extra ordinary items available to equity shareholders	1,387.99	286.24	18.70	5.42	3.42
Profit After adjustment after Extra ordinary items available to equity shareholders	1387.99	286.24	18.70	5.42	3.42
Weighted average number of equity shares outstanding during the year -Basic EPS	136.61	116.0	65.98	0.20	0.12
Adjusted Weighted average number of equity shares outstanding during the year - Diluted EPS	136.61	234.96	71.84	6.40	0.12
Restated Net Worth	4687.36	894.54	607.53	9.83	4.42
Basic Earning Per Share (before Extra ordinary items)	10.16	2.47	0.28	27.08	27.72
Basic Earning Per Share (after Extra ordinary items)	10.16	2.47	0.28	27.08	27.72
Diluted Earning Per Share (before Extra ordinary items)	10.16	1.22	0.26	0.85	27.72
Diluted Earning Per Share (after Extra ordinary items)	10.16	1.22	0.26	0.85	27.72
Net Assets Value Per Share (excluding revaluation reserve)	34.31	7.71	9.21	49.16	35.83
Return on Adjusted Net Worth (before Extra ordinary items & excluding revaluation reserve) (%)	30	32	3	55	77
Return on Adjusted Net Worth (after Extra ordinary items & excluding revaluation reserve) (%)	30	32	3	55	77

A. The ratios have been computed as below:

Restated Net Profit / (Loss) after Tax and before extraordinary items

Earnings per Share (Rs.) = Weighted average number of equity shares outstanding during the Period / year

Restated Net Worth after adjustment of miscellaneous expenditures, to the extent not written off and after excluding revaluation reserve

Net Asset Value Per Share (Rs.) =
= Weighted average number of Equity Shares Outstanding at the end of the period / year

Restated Net Profit / (Loss) after Tax and before extraordinary items

Return on Net Worth (%) = Restated Net Worth after adjustment of miscellaneous expenditures, to the extent not Written off and after excluding revaluation reserve.

Annexure-VI						
CAPITALISATION STATEMENT						
(In Lakhs)						
As at 31 March						
Particulars	2008	2007	2006	2005	2004	Post Issue *
Debt:						
Short Term Debt	0.00	0.00	17.45	308.57	114.78	
Long Term Debt	6258.56	4136.32	605.11	6.56	0.00	
Shareholders Funds:						
Share Capital	1413.50	580.00	580.00	1.00	1.00	
Reserve & Surplus	3273.86	314.53	27.53	8.83	3.42	
Total Shareholders Funds	4687.36	894.53	607.53	9.83	4.42	
Long Term Debt/Equity	1.34:1	4.62:1	0.996:1	0.66:1	NA	
* Since the share price of the Issue is not known, the post issue position has not been presented						

Annexure-VII
STATEMENT OF LOANS (SECURED AND UNSECURED)

(Rs in Lakhs)					
As at 31 March					
Particulars	2008	2007	2006	2005	2004
(A) SECURED LOANS					
Term Loan from Banks (Secured against the receivables)	1786.00	1780.00	-	-	-
Cash Credit Limits from Banks (Secured against the receivables)	1417.68	1115.45	600.87	-	-
Overdraft against Term Deposit (Secured against FDR pledged with Bank)	3031.40	1232.25	-	-	-
Vehicle Loan (hypothecation of vehicle)	23.48	8.62	4.24	6.56	-
Interest Accrued and due on above	-	-	-	-	-
Sub Total (A)	6258.56	4136.32	605.11	6.56	-
(B) UNSECURED LOANS					
a) Loans taken from Promoter / Group companies & associated companies	-	-	-	292.76	67.61
b) Others	-	-	17.45	15.81	47.17
Sub Total (B)	-	-	17.45	308.57	114.78
Grand Total (A+B)	6258.56	4136.32	622.56	315.13	114.78

Annexure-VIII					
STATEMENT OF OTHER INCOME					
(In Lakhs)					
For the year ended 31 March					
Particulars	2008	2007	2006	2005	2004

A. On Investment/Deposits Operations					
Interest on Deposits	6.54	2.41	0	0	0
Interest on Govt. Securities	0	0	0	0	0
B. Other Income					
Interest on staff advances	0				
Miscellaneous Income	19.25	45.09	37.6	6.71	0.02
Interest on Delayed payments	238.72	49.22	6.26	13.41	9.57
Excess Provision written Back	0	0	0	0	0
Rent Received	66.2	38.98	0	0	0
Provision of fall in value of investments in venture fund written back					
	0	0	0	0	0
Total	330.71	135.70	43.86	20.12	9.59

Note:

1. The above income does not include any significant non-recurring items.

Annexure-IX						
STATEMENT OF TAX SHELTERS						
The statement of tax shelters of the company as restated for the year ended march 31,2008,2007,2006,2005 and 2004 is as set out below						
<i>(Rs. in lacs)</i>						
Particulars		As at 31st march				
		2008	2007	2006	2005	2004
Tax Rate including the Surcharge		33.99%	33.66%	33.66%	36.59%	35.88%
Profits before Tax as per Restated	A	2,125.48	380.52	36.72	8.92	5.87
Tax at Notional Rate	B	722.45	128.08	12.36	3.26	2.10
Adjustments						
Permanent Differences	C					
Other adjustments		4.60	0.17	-	-	-
Total of C		4.60	0.17	0.00	0.00	0.00
Timing Difference	D					
Difference between Book and Tax Depreciation		-1.97	-323.11	1.25	-0.52	-0.20
Other adjustments		22.49	-2.58	14.38	0.06	0.04
Total of D		20.52	-325.69	15.63	-0.46	-0.16
Net Adjustments	E= C+D	25.12	-325.52	15.63	-0.46	-0.16
Tax Savings thereon(E*Tax rate)		8.54	-109.57	5.26	-0.17	-0.06
Total taxation		730.99	18.51	17.62	3.09	2.05

Note:

1. There are no extra ordinary items which is having impact on tax shelter computation.

Annexure – X					
CASH FLOW STATEMENT, AS RESTATED					
The cash flows statement of the company for the financial year ended March 31 2008, 2007, 2006, 2005 and 2004 are set out below:					
(Rs. in lacs)					
For the year ended March 31					
PARTICULARS	2008	2007	2006	2005	2004
A. Cash Flow from Operating Activities :					
Net Profit Before Tax and after Extraordinary items	2,125.48	380.52	36.72	8.92	5.87
Adjustments for:					
Depreciation	362.59	35.93	3.09	1.23	0.25
Miscellaneous Expenditure written off	-	1.81	3.84	0.80	0.34
Interest	771.49	224.11	8.28	9.10	4.10
Operating profit before working Capital Changes	3,259.56	642.37	51.93	20.05	10.56
Increase / Decrease :					
Loans & Advances (Assets)	586.16	(625.05)	(252.29)	(1.36)	(23.28)
Other Current Assets	(7,913.02)	(4,767.15)	(1,863.61)	(228.92)	(368.75)
Current Liabilities & Provisions	2,904.59	2,578.49	1,201.25	(36.51)	282.80
Other Loans and Advances	-	(17.45)	(291.12)	193.79	114.78
Cash outflow from Operations	(1,162.72)	(2,188.79)	(1,153.85)	(52.96)	16.10
Advance Income Tax Paid	(307.74)	(24.07)	(7.87)	(4.00)	-
Fringe Benefit Tax Paid	(0.87)	(0.98)	-	-	-
Net Cash flow from Operating Activities(A)	(1,471.33)	(2,213.84)	(1,161.72)	(56.96)	16.10
B. Cash Flow From Investing Activities :					
Purchase of Fixed Assets	(290.28)	(2,758.34)	(0.06)	(10.18)	(3.98)
Purchase of Investments	(54.23)	-	-	-	-
Preliminary expenses at the beginning of the year	-	-	(3.85)	(0.79)	(0.35)
Net Cash flow from Investing Activities (B)	(344.51)	(2,758.34)	(3.91)	(10.97)	(4.33)
C. Cash Flow from Financing Activities :					
Issue of Share Capital	2,377.85	-	579.00	-	1.00
Share Application Money	(1,775.65)	1,730.04	(3.40)	62.00	-
Raising of Term Loans from Banks	2,122.24	3,531.21	598.55	6.56	-
Interest Paid	(771.49)	(224.11)	(8.28)	(9.10)	(4.10)
Net Cash in-flow from Financing Activities (C)	1,952.95	5,037.14	1,165.87	59.46	(3.10)
Net Increase / Decrease in Cash & Cash Equivalents(A+B+C)	137.11	64.96	0.24	(8.47)	8.68
Cash & Cash Equivalents at the beginning of the period	65.41	0.45	0.21	8.68	-
Cash & Cash Equivalents as at end of the period	202.52	65.41	0.45	0.21	8.68
Net Increase / Decrease in Cash & Cash Equivalents	137.11	64.96	0.24	(8.47)	8.68

Annexure - XI						
Statement showing Sundry Debtors Age wise analysis						
(Rs. in lacs)						
		As at 31st March				
S.No	Particulars	2008	2007	2006	2005	2004
a]	Less than 6 Months	9,434.03	5524.39	2038.33	585.62	365.6
b]	Greater than 6 Months	1,480.57	712.68	306.57	4.01	0.04
	Total Rs.	10914.60	6237.07	2344.90	589.63	365.64

Annexure - XII						
Statement of Loans & Advances						
(Rs. in lacs)						
		As at 31 st March				
S.No.	Particulars	2008	2007	2006	2005	2004
a]	Advances recoverable in Cash or kind for value to be received	130.16	846.02	273.91	23.64	22.89
b]	Others	531.19	92.88	14.89	5.00	0.39
	Total Rs.	661.35	938.9	288.8	28.64	23.28

ANNEXURE - XIII									
Statement showing related parties transactions									
(Rs. in lacs)									
S.No.	Party Name	Nature of Relationship	Nature of Transaction	As at 31st March					
				2008		2007		2006	
				Trans. Amount	Amount O/s.	Trans. Amount	Amount O/s.	Trans. Amount	Amount O/s.
1.	BS Integrated Steel Products Private Limited	Promotor Group Company	Purchases	-	-	-	-	186,811	186,811
2.	Abhishek Steels Limited	Promotor Group Company	Purchases	-	-	47,978,067	-	75,988,667	4,035,392
3.	Gautam Rolling Mills Private Limited	Promotor Group Company	Purchases	-	-	977,426	-	37,569	-
4.	BS Integrated Steel Products Private Limited	Promotor Group Company	Interest Paid	-	-	-	-	-	-
5.	Yash Ispat Private Limited	A Company in which relative of Director is Interested	Purchases	-	-	-	-	-	-
6.	Rakesh Agrawal	Promotor	Remuneration	1,500,000	-	600,000	-	480,000	383,814
7.	Mukesh Agrawal	Promotor	Remuneration	1,500,000	150,050	600,000	-	480,000	413,190
8.	Abhishek Steels Limited	Promotor Group Company	Delayed Payment Charges Paid	-	-	229,059	-	582,362	-
9.	Vrinda Agencies	Promotor Group Firm	Interest Paid	-	-	-	-	-	-
10.	Rajesh Agrawal	Promotor	Remuneration	2,100,000	1,393,463	600,000	-	-	-
11.	Rakhee Agrawal	Relative of the Director	Salaries/(Advance Given)	(55,000)	(55,000)	180,000	-	(55,000)	-
12.	Reema Agrawal	Relative of the Director	Salaries/(Advance Given)	(55,000)	(55,000)	180,000	-	(55,000)	-
13.	Shalini Agrawal	Relative of the Director	Salaries	-	-	180,000	-	-	-
14.	Rajesh Agrawal	Promotor	Interest Paid	-	-	1,103,398	978,383	-	-
15.	Brig. Arun Kumar Sharma	Executive Director	Remuneration	2,212,200	419,072	-	-	-	-
16.	Shivganga Infrastructures Ltd.	Promotor Group Company	Advance (given)	(4,500,000)	(4,500,000)	(19,502,806)	-	-	-
17.	Agrawal Developers	Promotor Group Firm	Advance (given)/Taken	(20,000,000)	-	(25,138,200)	-	3,500,000	-

Annexure– XIV						
Statement of Current Liabilities & Provisions						
						(Rs. in lacs)
		As at 31st March				
S.No.	Particulars	2008	2007	2006	2005	2004
A	<u>Current Liabilities</u>					
	<u>Sundry Creditors</u>					
	Due to Small Scale Industries Undertakings	0	0	0	0	0
	Due to Others	6,667.92	3,820.32	1,020.21	203.13	243.36
	Due to Customers	11.12	0.91	175.98	4	0.04
	Book Overdraft in current Account with Banks	181.28	22.49	162.85	33.13	36.99
	Other Liabilities	51.41	171.18	88.22	5.93	2.37
	Total	6,911.73	4,014.90	1,447.26	246.19	282.76
B	<u>Provisions</u>					
	Provision for Taxation	803.25	76.64	23.25	5.75	2.4
	Provision for FBT	5.65	2.7	1		0
	Provision for Gratuity	1.87	0.33	0.22	0.10	0.04
	Provision for Leave Encashment	6.38	0.18	0.06	0	0
	Total	817.1546	79.8468	24.52366	5.8461	2.4381
	Total Rs.	7,728.88	4,094.75	1,471.79	252.04	285.20

Annexure - XV						
Statement of Contingent Liabilities						
						(Rs. in lacs)
		As at 31st March				
S.No.	Particulars	2008	2007	2006	2005	2004
1	Bills Discounted and Counter Guarantees given to Banks	2500	50	NIL	NIL	NIL
2	Banks Guarantees given by Banks	9.2	NIL	NIL	NIL	NIL
3	Claims Contested by the Company	5	NIL	NIL	NIL	NIL
4	Claims by customs & Income tax	NIL	NIL	NIL	NIL	NIL
	Total Rs.	2514.2	50	NIL	NIL	NIL

Annexure- XVI						
Statement of investments						
						(Rs. in lacs)
		As at 31st March				
S.No.	Particulars	2008	2007	2006	2005	2004
1	INVESTMENTS (At cost - Non trade)					
	Immovable properties - agricultural land	54.21	Nil	Nil	Nil	Nil
	Total Rs.	54.21	Nil	Nil	Nil	Nil

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

You should read the following discussion of our financial condition and results of operations together with our audited financial statements (as restated) for the five financial years ended March 31, 2008 including the Schedules, Annexure and Notes thereto and the Reports thereon, which appear in the section titled 'Financial Statements' beginning on page 123 of the Draft Red Herring Prospectus. You are also advised to read the section titled 'Risk Factors' beginning on page no. xi of the Draft Red Herring Prospectus, which discusses a number of factors and contingencies that could impact our financial condition, results of operations and cash flows. These financial statements are prepared in accordance with Indian GAAP, the Companies Act and the SEBI (DIP) Guidelines and restated as described in Auditors' Report dated September 22, 2008 of M/s. M. Bhaskara Rao & Co, Chartered Accountants.

Our financial year ends on March 31 of each year, so all references to a particular fiscal year are to the 12-month period ended March 31 of that year. Our historical financial performance may not be considered as indicative of future financial performance.

Business Overview:

Our Company is engaged in the business of manufacturing and supply of towers to the telecommunication and the power sector in India with a pan India presence in 19 telecom circles. We are headquartered in Hyderabad and have eight circle offices throughout India through which we service customers in 19 telecom circles. In addition, our Company has also started providing turnkey solutions to the telecommunication and power transmission industry. Our Company intends to capitalize on the emerging opportunities in the telecommunications and power transmission sector.

Our tower manufacturing activities include designing, fabrication and erection of telecommunication and power transmission towers. Our Company supplies towers to companies like Reliance Infratel Limited, Vodafone, Ideal Cellular Limited, Wireless- TT Info Services Limited, Essar Telecom Infrastructure Limited, Indus Towers Limited, Transmission Corporation of Andhra Pradesh Limited ("APTransco") and Huawei Telecommunications Limited.

As a turnkey solution provider to the telecommunication sector we undertake radio frequency (RF) planning and transmission survey, site identification, acquisition, clearance and design, technology integration, project management and control, equipment procurement, supply and installation and managing services including RF optimizing. Our clients to whom we provide turnkey solutions are Wireless- TT Info Services Limited, Reliance InfoComm Limited and Erricson India Private Limited.

As a turnkey solutions provider to the power sector we execute power transmission and sub-station projects on turnkey basis which includes supply of materials, installation, erection and commissioning. The work to be carried out for transmission projects are preliminary survey, route alignment, detail survey, check survey, classification of soil (for type of foundation to be used), construction of foundation, erection of towers, stringing of line, earthing, fixing of accessories, testing and commissioning of line. Presently we are executing projects for Transmission Corporation of Andhra Pradesh Limited (APTransco).

In the fragmented domestic market for passive infrastructure solutions, we believe we differentiate ourselves through our pan India presence by servicing our clients by providing manufacturing and turnkey services across the country. Having demonstrated our ability to service major telecom operators, we believe we are well positioned to capitalize on the growth opportunities in the emerging telecommunication and power industry.

With the roll out plans of telecom companies coupled with the TRAI policy and Universal Service Obligation along with mega power generation capacities being set up, our Company believes that there is a growing demand for telecommunication and power transmission towers. Foreseeing these emerging opportunities with a growing market for towers in the Indian telecommunications and power transmission sector we have now focused our operations on manufacturing and supply of telecommunication and power transmission towers and providing turnkey solutions and planned a capacity expansion to service the growing demand. As on September 15, 2008 our total order book stood at approximately Rs. 8,058 lacs, out of which our order book from manufacturing of telecommunication and power transmission towers was Rs 5,458 lacs and from turnkey service projects was approximately Rs 2,600 lacs. As on September 15, 2008 we have firm purchase orders for supply of 8,403 MT of towers to be supplied by October 31, 2008. We believe that our capacity expansion plans from 36,000 MTA to 2,40,000 MTA will position us to service the demands of various telecommunication and power and transmission operators in India.

We have been accredited with ISO 9001:2000 in the year 2007 by JAS-ANZ and ISO 14001:2004 from Quest International in the year 2008 for our manufacturing plant at Medchal, Hyderabad, Andhra Pradesh.

As of August 31, 2008, we had 309 permanent employees and 485 contract employees. We maintain installation teams, as well as support staff, in 19 telecom circles out of 23 telecom circles defined by the Telecommunications Regulatory Authority of India ("TRAI").

Material developments occurring after the Balance Sheet Date:

1. Allotment of 64,250 Equity Shares was made pursuant to an Employee Stock Purchase Plan on June 7, 2008.
2. Subsidiary by the name of BS Infratel Limited (BSIL) was incorporated on June 10, 2008 for the purposes of providing passive infrastructure services to telecommunication service providers. BSIL is yet to commence business.

Significant factors affecting operations

Our financial condition and results of operations are affected by numerous factors and following are of particular importance:

1. Condition and performance of the Telecommunication and Power sector;
2. General economic and demographic conditions;
3. Regulations in the Telecommunication and Power sector
4. Investments in the Telecommunication and Power Sector
5. Our ability to manage raw material procurement, human resources, working capital and logistics efficiently;
6. Competition from Indian and International Suppliers;
7. Availability of finance on favorable terms;
8. Success of our proposed expansion plan.

Our significant Accounting Policies

For Significant accounting policies please refer to the Chapter titled "Financial Information" beginning on page 123 of the Draft Red Herring Prospectus.

Turnover

Our income consists of income from Manufacturing, Trading and Turnkey Service. Income from Manufacturing activities includes designing, fabrication and erection of telecommunication and power transmission towers. Income from Trading sales includes steel products required by tower manufacturers. Our manufacturing facilities with a capacity of 36,000 MTA commenced production in March 2007. In FY 2008 our manufacturing sales stood at Rs. 6,787.87 lacs. We were able to register a growth of 80.50% in our trading income in FY 2008. In FY 2008, our company started providing Turnkey Services also.

Expenditure

Our expenditure primarily consists of raw material consumed, other manufacturing expenses, staff cost, selling and administration cost. Raw material includes material purchased for trading and manufacturing activities. Raw material accounted for approximately 89% of the total income in FY 2008.

Other Manufacturing Expenses:

Other manufacturing expenses include power and fuel, erection and painting, labour charges, freight, excise duty on finished goods etc.. The expenses as a percentage to total income have increased mainly on account of capacity utilisation of 66.76% in FY 2008 as compared to 1.83% in FY 2007.

Administration and other expenses:

Administration and other expenses relate to expenses incurred towards freight and forwarding, travelling, rent rates and taxes, legal and professional charges and other expenses for general administration.

Earnings before Interest, Depreciation and Tax (EBIDTA):

Our EBIDTA has been steadily increasing in the last three years. During the last three fiscals, EBIDTA has grown from Rs. 48.09 lacs in FY 2006 to Rs. 3,259.56 lacs in FY 2008. The EBIDTA as a percentage of total income has also increased to 7.45% in FY 2008 from 0.35% in FY 2006. Growth in EBIDTA has been mainly on account of a growth in turnover as well as revenue from the manufacturing business. Raw material, being the major component of total expenses has a direct impact on our EBIDTA margins.

Finance charges:

The finance charges incurred by us include interest charges payable by us for short term and the long term loans including working capital loans and financial charges like processing fess for loans and bank charges. Our business is working capital intensive as we maintain high levels of inventories. We have incurred finance charges of Rs. 8.28 lacs, Rs. 224.11 lacs and Rs. 771.49 lacs in FY 2006, FY 2007 and FY 2008 respectively. Finance charges as a percentage of total income increased from 0.06% in FY 2006 to 1.76% in FY 2008.

Depreciation:

Depreciation is charged on Written Down Value method as per rate specified in Schedule XIV of the Companies Act 1956.

Profit after Tax (PAT):

Profit after tax has increased from Rs. 18.70 lacs in FY 2006 to Rs. 1,387.99 lacs in FY 2008. PAT as a percentage to total income increased from 0.14% in FY 2006 to 3.17% in FY 2008.

Summary of Results of Operations

The table below sets forth, for the periods indicated, our restated profit and loss account, both in absolute terms and with each line item represented as a percentage of total income.

Particulars	For the year ended 31 March					
	2008	% of total income	2007	% of total income	2006	% of total income
Income						
Sales:						
Sale of Manufactured Goods	6,787.87	15.51	144.47	0.72	-	-
Sale of Traded Goods	35,452.32	81.01	19,640.92	97.69	13,500.63	99.56
Turnkey Services	319.50	0.73	-	-	-	-
Total	42,559.69	97.25	19,785.39	98.41	13,500.63	99.56
Other Income	330.71	0.76	135.70	0.67	43.86	0.32
Increase/(Decrease) in inventories	871.15	1.99	183.89	0.91	15.62	0.12
Total Income	43,761.55	100.00	20,104.98	100.00	13,560.11	100.00
Expenditure						
Raw material consumed	38,945.02	88.99	19,205.67	95.53	13,381.02	98.68
Staff Costs	270.99	0.62	37.39	0.19	14.06	0.10
Employee Benefit Expenses	7.75	0.02	0.23	0.00	0.18	0.00
Other Manufacturing Costs	1,005.86	2.30	150.02	0.75	85.91	0.63
Administration & Selling Expenses	272.38	0.62	69.30	0.34	27.01	0.20
Miscellaneous Expenditure written off	-	-	1.81	0.01	3.84	0.03
Interest	771.49	1.76	224.11	1.11	8.28	0.06
Depreciation	362.59	0.83	35.93	0.18	3.09	0.02
Total Expenditure	41,636.07	95.14	19,724.46	98.11	13,523.39	99.73
Net Profit Before Tax and Extra ordinary items	2,125.48	4.86	380.52	1.89	36.72	0.27
Less: Taxation	736.00	1.68	70.00	0.35	17.50	0.13
Less: Excess Provision written back-Taxation	-	-	(26.43)	(0.13)	-	-

Less: Provision for Deferred Tax	(1.46)	(0.00)	49.80	0.25	(0.48)	(0.00)
Less: Provision for Fringe Benefit Tax	2.95	0.01	0.90	0.00	1.00	0.01
Net Profit after Tax as restated	1,387.99	3.17	286.24	1.42	18.70	0.14

COMPARISON OF FY 2008 WITH FY 2007

Income:

Turnover

Our turnover comprises of Manufacturing, Trading and Turnkey Service. Total Turnover, net of excise duty recorded a growth of 115.11% from Rs. 19,785.39 lacs in FY 2007 to Rs. 42,559.69 lacs in FY 2008. Turnover from trading increased by 80.50% from Rs. 19,640.92 lacs in FY 2007 to Rs. 35,452.32 lacs in FY 2008. Manufacturing turnover increased from Rs. 144.47 lacs in FY 2007 to Rs. 6,787.87 lacs in FY 2008. Our company has also started providing Turnkey Services in FY 2008. Revenue from Turnkey Services was Rs. 319.50 lacs. Capacity utilization which stood at 1.83% of the installed capacity increased to 66.76% of the installed capacity in FY 2008.

Other Income

Other income includes interest, commission, rent etc. Interest is received on deposits and also interest on delayed payment from debtors. Other income as a percentage of total income stood at 0.67% in FY 2007 and 0.76% in FY 2008.

Expenditure

Raw Material Consumed:

Raw material consumption has gone up from Rs. 19,205.67 lacs in FY 2007 to Rs. 38,945.02 lacs in FY 2008. Raw material consumed as a percentage of total income stood at 95.53% for FY 2007 and 88.99% for FY 2008. This ratio has improved mainly on account of manufacturing activities undertaken in FY 2008. The ratio of trading sales and manufacturing sales was 99: 1 in FY 2007 and 84:16 in FY 2008 and this ratio reflects the increase in manufacturing sales vis-à-vis trading sales.

Staff Cost:

Staff cost has gone up from Rs. 37.39 lacs in FY 2007 to Rs. 270.99 lacs in FY 2008. Staff cost as a percentage of total income stood at 0.19% for FY 2007 and 0.62% for FY 2008. The increase in staff cost is mainly on account of manufacturing activities undertaken during the year which necessitate more number of people to be employed. Also managerial remuneration paid to our directors which stood at Rs. 18 lacs in FY 2007 has gone up to Rs. 73.12 lacs in FY 2008.

Other Manufacturing Cost:

Other Manufacturing cost has gone up from Rs. 150.02 lacs in FY 2007 to Rs. 1,005.86 lacs in FY 2008. The increase in cost is mainly on account of Manufacturing activities and Turnkey Service activities undertaken during the year. Increase in costs like erection and painting charges (Rs. 216.34 lacs), transportation charges (Rs. 60.03 lacs), labour charges (Rs. 288.77 lacs) etc. were necessitated because of manufacturing activities and Turnkey services.

Administrative and Selling Expenses:

Administrative and Selling Expenses have gone up from Rs. 69.30 lacs in FY 2007 to Rs. 272.38 lacs in FY 2008. Administrative and Selling Expenses as a percentage of total income stood at 0.34% for FY 2007 and 0.62% for FY 2008. The increase in cost is mainly on account increase in rent, rates and taxes and legal and professional charges.

Earnings before Interest Depreciation Tax and Amortization (EBIDTA)

Our EBIDTA increased from Rs. 640.56 lacs in FY 2007 to Rs. 3,259.56 lacs in FY 2008. EBIDTA as a percentage of total income stood at 3.19% for FY 2007 and 7.45% for FY 2008. The increase in EBIDTA was primarily due to decrease in raw material consumed from 95.53% of the total income in FY 2007 to 88.99% in FY 2008. The sales mix

has also undergone a change from trading sales in FY 2007 to Trading, Manufacturing and Turnkey Services in FY 2008.

Finance Charges:

Finance charges increased from Rs. 224.11 lacs in FY 2007 to Rs. 771.49 lacs in FY 2008. This was mainly on account of higher loan balances outstanding including working capital limits. The outstanding loan balance has gone up to Rs. 6,258.56 lacs at the end of FY 2008 as compared to Rs. 4,136.32 lacs at the end of FY 2007.

Depreciation

Depreciation increased from Rs. 35.93 lacs in FY 2007 to Rs. 362.59 lacs in FY 2008. Our Company depreciation was charged in FY 200 as compared to depreciation for full year in FY 2008.

Profit after tax

The profit after tax increased from Rs. 286.25 lacs in FY 2007 to Rs. 1,387.99 lacs in FY 2008. PAT as a percentage of total income stood at 1.42% for FY 2007 and 3.17% for FY 2008.

COMPARISON OF FY 2007 WITH FY 2006

INCOME:

Turnover

Our turnover comprises of Trading and Manufacturing sales. Total Turnover net of excise duty recorded a growth of 46.55% from Rs. 13,500.63 lacs in FY 2006 to Rs. 19,785.39 lacs in FY 2007. Turnover from trading increased by 45.48% from Rs. 13,500.63 lacs in FY 2006 to Rs. 19,640.92 lacs in FY 2007. Manufacturing turnover increased from Rs. Nil in FY 2006 to Rs. 144.47 lacs in FY 2007.

Other Income

Other income includes interest, commission, rent etc. Interest is received on deposits and also interest on delayed payment from debtors. Other income as a percentage of total income stood at 0.32% in FY 2006 and 0.67% in FY 2007.

EXPENDITURE

Raw Material Consumed:

Raw material consumption has gone up from Rs. 13,381.02 lacs in FY 2006 to Rs. 19,205.67 lacs in FY 2007. Raw material consumed as a percentage of total income stood at 98.68% for FY 2006 and 95.53% for FY 2007. This ratio has improved mainly on account of commencement of manufacturing activities in FY 2007.

Staff Cost:

Staff cost has gone up from Rs. 14.06 lacs in FY 2006 to Rs. 37.39 lacs in FY 2007. Staff cost as a percentage of total income stood at 0.10% for FY 2006 and 0.19% for FY 2007. The increase in staff cost is line with increase in turnover and general increase in salary levels and also on account of increase in managerial remuneration paid to our directors which stood at Rs. 9.60 lacs in FY 2006 has gone up to Rs. 12.00 lacs in FY 2007.

Other Manufacturing Cost:

Other Manufacturing cost has gone up from Rs. 85.91 lacs in FY 2006 to Rs. 150.02 lacs in FY 2007. The increase in cost is mainly on account of commencement of manufacturing activities in FY 2007.

Administrative and Selling Expenses:

Administrative and Selling Expenses have gone up from Rs. 27.01 lacs in FY 2006 to Rs. 69.30 lacs in FY 2007. Administrative and Selling Expenses as a percentage of total income stood at 0.20% for FY 2006 and 0.34% for FY 2007. The increase in cost is on account of increased turnover and general increase in other administration cost.

EBIDTA:

Our EBIDTA increased from Rs. 48.09 lacs in FY 2006 to Rs. 640.56 lacs in FY 2007. EBIDTA as a percentage of total income stood at 0.35% for FY 2006 and 3.19% for FY 2007. The increase in EBIDTA was primarily due to decrease in raw material consumed from 98.68% of the total income in FY 2006 to 95.53% in FY 2007.

Finance Charges

Finance charges increased from Rs. 8.28 lacs in FY 2006 to Rs. 224.11 lacs in FY 2007. This was mainly on account of higher loan balances outstanding including working capital limits. The outstanding loan balance has gone up to Rs. 4,136.32 lacs at the end of FY 2007 as compared to Rs. 622.56 lacs at the end of FY 2006.

Depreciation

Depreciation increased from Rs. 3.09 lacs in FY 2006 to Rs. 35.93 lacs in FY 2007. Our Company has invested Rs. 2,758.34 lacs for setting up manufacturing facilities during the later half of FY 2007 as against Rs. Nil addition in FY 2006.

Profit after tax

The profit after tax increased from Rs. 18.70 lacs in FY 2006 to Rs. 286.25 lacs in FY 2007. PAT as a percentage of total income stood at 0.14% for FY 2006 and 1.42% for FY 2007.

FACTORS THAT MAY AFFECT THE RESULTS OF THE OPERATIONS:

1. Unusual or infrequent events or transactions.

There have been no unusual or infrequent transactions that have taken place.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Government's focus on telecommunication and power sector will have a major bearing on the companies involved in this industry. Accordingly, any major changes in the policies of the Government may have an impact on our operations

Except the above, there are no significant economic changes that may materially affect or likely to affect income from continuing operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Other than described in the Chapter titled "Risk Factors" and "Management Discussion and Analysis of Financial Condition and Result of Operations" beginning on page xi and 143 respectively of the Draft Red Herring Prospectus, there are to our knowledge no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenues or income from continuing operations

4. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.

The Company's future costs and revenues will be determined by demand/supply situation, government policies.

5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.

The increase in net sales or revenue is mainly on account of increase in volume and general increase in sales price in the normal course of business. Our company has started providing Turnkey Services during the year. Revenue from such services in FY 2008 was Rs. 319.50 lacs.

6. Total turnover of each major industry segment in which the issuer company operated.

Please refer to Chapter titled 'Industry Overview' beginning on page 57 of the Draft Red Herring Prospectus

7. Status of any publicly announced new products or business segment.

The Company has not announced any new product and segment except in the ordinary course of our business.

8. The extent to which business is seasonal.

The Company's business is not seasonal in nature.

9. Any significant dependence on a single or few suppliers or customers.

The % contribution of the Company's customers is given below:

Customers' contribution:

(Rs. in lacs)

Particulars	2007-08	2006-07
Top 5 Clients (Revenues)	15,861.01	11,690.09
Top 5 Clients (Revenues %)	37.27%	59.09%
Top 10 Clients (Revenues)	20,996.53	14,752.03
Top 10 Clients (Revenues %)	49.34%	74.56%

10. Competitive conditions.

Please refer to sections titled 'Industry Overview' beginning on page 57 and "Business Overview" on page 65 of the Draft Red Herring Prospectus for details on competitive conditions.

FINANCIAL INDEBTEDNESS

A brief summary of our current significant financing arrangements are as follows:

Facility	Repayment Schedule and Interest	Security Created
<p>Loan Facility aggregating to Rs. 3,880 lacs from IDBI Bank pursuant to sanction letter dated November 29, 2006 and Loan Agreement dated December 4, 2006:</p> <p><i>Term loan:</i> Rs. 1,880 lacs</p> <p><i>Working capital facility:</i> Rs. 2,000 lacs (Cash Credit of Rs. 1,500 lacs and Letters of Credit / Bank guarantees of Rs. 500 lacs)</p>	<p>Repayment:</p> <p><i>Term loan:</i> Repayable after a moratorium of one year from the date of last disbursement in 20 quarterly installments commencing from February 1, 2008.</p> <p><i>Working capital:</i> On demand</p> <p>Interest:</p> <p><i>Term loan:</i> 11.50% p.a. (i.e. IDBI's BPLR on the date of the sanction letter).</p> <p>Interest rate will crystallize in respect of the tranche disbursed on the date of such disbursement.</p> <p>Interest rate applicable after drawdown of the entire amount of the financial assistance shall be weighted average of all interest rates pertaining to different tranches.</p> <p><i>Working capital:</i> 11.50% p.a. (i.e. IDBI's BPLR on the date of the sanction letter)</p>	<p><i>Term loan:</i> First mortgage charge on all the fixed assets of the Company, present and future.</p> <p>First charge by way of hypothecation of all the Company's movables including movable plant and machinery, machinery spares, tools and accessories, present and future save and except book debts.</p> <p>First charge by way of hypothecation on all the Company's goods, book – debts and all other movable assets.</p> <p>Irrevocable and unconditional corporate guarantee of I-Vantage Private Limited.</p> <p>Irrevocable and unconditional guarantees from Mr. Rajesh Agrawal, Mr. Rakesh Agarwal and Mr. Mukesh Agarwal in favour of IDBI.</p> <p><u>Collateral Security:</u> Pledge of 30% equity shares of the Company held by the promoters.</p> <p>Collateral Security to rank pari passu with the working capital assistance.</p> <p><i>Working Capital:</i> First <i>pari passu</i> charge on all present and future stocks, receivables, spares, consumables and other current assets of the project at Athelli Village, Medchal Mandal, Ranga Reddy District</p> <p>Second charge on all fixed assets of the Company.</p> <p>Irrevocable and unconditional corporate guarantee of I-Vantage Private Limited.</p>

Facility	Repayment Schedule and Interest	Security Created
		Irrevocable and unconditional guarantees from Mr. Rajesh Agrawal, Mr. Rakesh Agarwal and Mr. Mukesh Agarwal in favour of IDBI.
<p>Working capital facility of Rs. 5,000 lacs from Syndicate Bank pursuant to sanction letter dated January 11, 2008 of which:</p> <p><i>Fund based facility:</i> Rs. 3,000 lacs</p> <p><i>Non fund based:</i> Rs. 2,000 lacs (Letters of Credit of Rs. 1,000 lacs and Bank Guarantee of Rs. 1,000 lacs)</p>	<p>Interest:</p> <p><i>Fund Based:</i> PLR + 0.50% p.a. (13.50% as on the date of the sanction letter)</p> <p><i>Non-fund Based:</i> As per the rate agreed by the Syndicate Bank</p>	<p><i>Fund Based:</i> First <i>pari passu</i> charge on current assets with IDBI Bank.</p> <p><i>Non-fund Based:</i> Letters of Credit for the purpose of procurement Raw Materials within maximum usance of 90 days.</p> <p>Issuance of Performance Guarantees, Advance Payment Guarantees.</p> <p><u>Collateral Security (exclusive):</u> Equitable Mortgage of property situated at Plot No. 42 (part) in Survey No.258/1 & 259 situated at Jeedimetla Industrial Area, Shapurnagar, Jeedimetla, RR District, AP admeasuring approximately 22,439.26 sq. yds. In the name of Agarwal Developers.</p> <p><u>Collateral Security (<i>pari passu</i>):</u> Second charge on fixed assets of the Company on <i>pari passu</i> basis</p> <p>Personal guarantee of all directors in their individual capacity</p> <p>Corporate guarantee of I-Vantage (India) Private limited and of M/s Agarwal Developers.</p>

Our Company has undertaken not to do the following **without the prior intimation** of the lender:

- enter into any scheme of expansion, merger, amalgamation, compromise or reconstruction or sell, lease, transfer all or substantial portion of its fixed and other assets.
- permit any change in the ownership or control or constitution of our Company or make any change in shareholding or the management or majority of directors and not make any change to the general nature of business.

- make any material amendments in the memorandum and articles of association of our Company.
- declare any dividend in respect of any financial year if any event of default has occurred;

DRAFT

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigations, suits, criminal or civil prosecutions, proceedings, disputes or tax liabilities against our Company, our Subsidiaries, our Promoter and our Group Companies and there are no defaults, non payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issue by the Company and its Subsidiary, 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 I of Schedule XIII of the Companies Act) against the Company, its Directors, its Subsidiary, its Group Companies that would have a material adverse effect on its business and no disciplinary action has been taken by SEBI or any stock exchanges against the Company, its Promoters, Promoter Group, Directors, Directors of the Promoter Group.

Litigations instituted against our Company

1. *Mr. M. Raghavulu (“Petitioner”) v. M/s B.S. Integrated Steel Products Private Limited (“BSIS”) [now our Company]*

Case No: O.P. No.1102 of 2007

The Petitioners has filed the instant case under section 166 of the Motor Vehicles Act, 1988 and rule 475/1B of the Andhra Pradesh Motor Vehicles Rules, 1989 alongwith with section 140(C) of the Motor Vehicles Act, 1988.

Facts: The Petitioners have alleged that on August 24, 2007, a vehicle owned by BSIS met with an accident with the son of the Petitioner which resulted in fatality.

The Petitioners have instituted this instant proceeding on September 26, 2007 against our Company and have claimed Rs. 5,00,000/- (Rupees five lacs) as compensation before the District Judge, R.R. District, Motor Accidents Claims Tribunal.

The case is pending hearing and disposal.

This litigation has transferred to our Company pursuant to the Scheme of Amalgamation, as has been defined in the section titled “Definitions and Abbreviations” beginning on page ii of the Draft Red Herring Prospectus.

Litigations against our Promoters

Criminal Compliant against Mr. Mukesh Agarwal by M. D. Hameed (“Complainant”)

The Complainant has alleged that a chemical tanker, which was carrying chemical effluents loaded at the factory premises of B.S. Integrated Steel Products Private Limited, had unloaded the wastes at Plot No. 33/B, Phase III, IDA, Jeedimetla.

The Complainant had lodged a complaint, in the nature of a first information report (FIR No. 5632/007) accusing Mr. Mukesh Agarwal to have committed an offence under Sections 277, (*which provides that whoever voluntarily fouls the water of any public spring or reservoir, so as to render it less fit for the purpose for which it is ordinarily used, shall be punished with imprisonment for three months or with fine of five hundred rupees or with both*), and section 278 (*which provides that whoever voluntarily vitiates the atmosphere in any place so as to make it noxious to the health of persons dwelling or carrying on business in the neighborhood or passing along the public way, shall be punished with fine upto Rs.500*), of the Indian Penal Code, 1860, before the Inspector of Police, Jeedimetla, who has entrusted the investigation of the matter to the Sub-Inspector of Police, Jeedimetla (“Sub-Inspector”). The Sub-Inspector has instituted a compliant before the Hon’ble Metropolitan Magistrate, Medchal, Cyberabad praying that Mr. Mukesh Agarwal be produced before the Hon’ble Court and be remanded to judicial custody for fourteen days in order to enable the Sub-Inspector to complete the investigation. However, the Hon’ble Court has dismissed the compliant pursuant to an order dated September 15, 2008 and has held that the Complainant has failed to prove the guilt of Mr. Mukesh Agarwal beyond all reasonable doubt.

LICENSES AND APPROVALS

We have received all the necessary consents, licenses, permissions and approvals from the government and various government agencies/ private certification bodies for its present businesses and further approvals are required for carrying on the present businesses except as stated in the Draft Red Herring Prospectus.

Approvals granted to our Company for carrying on business:

1. Certificate of Incorporation

The Certificate of Incorporation had been issued to our Company by the Registrar of Companies, Hyderabad, on January 7, 2004, bearing registration number 42375 of 2003-04.

2. Certificate of change of name

The fresh certificate of incorporation pursuant to change in name from B.S. Steels and Minerals Private Limited to BS TransComm Private Limited dated January 24, 2008 was issued to our Company by the RoC, Hyderabad.

The fresh certificate of incorporation pursuant to change in name from BS TransComm Private Limited to BS TransComm Limited dated February 7, 2008 was issued to our Company by the RoC, Hyderabad.

3. Permanent Account Number

The PAN Card was issued by the Income Tax PAN Services Unit, bearing Permanent Account Number AACCB3170F, on January 1, 2004.

4. Tax Deduction Account Number

The Office of the Tax Recovery Officer, Hyderabad had allotted to our Company their Tax Deduction Account Number HYDB02125E.

5. Registration under the Central Sales Tax Act, 1956 registering our Company as a dealer

The Commercial Taxes Department, pursuant to the certificate of registration dated February 18, 2008, has certified our Company as a dealer under section 7(1)(2) of the Central Sales Tax Act, 1956.

6. Registration under the Central Sales Tax Act, 1956 registering our Company as a manufacturer and seller

The Commercial Taxes Department, pursuant to the certificate of registration dated June 28, 2007, has certified our Company as a dealer under section 7(1)(2) of the Central Sales Tax Act, 1956.

7. Registration under the Central Excise Rules, 2002 as a manufacturer of goods

The Office of the Assistant Commissioner of Customs and Central Excise, pursuant to the Central Excise Registration Certificate dated April 9, 2008, has registered our Company as a manufacturer of excisable goods at Survey No. 82, 83, 92 – 95 and 107, Athevelly Village, Medchal Mandal, R. R. District, Andhra Pradesh – 501 401.

8. Registration under the Central Excise Rules, 2002 as a dealer of excisable goods

The Office of the Assistant Commissioner of Customs and Central Excise, pursuant to the Central Excise Registration Certificate dated February 27, 2008, has registered our Company as a dealer of excisable goods at our godown at 186/A/B8, Plassy Line, Bowinpally, Secunderabad, Hyderabad urban, Andhra Pradesh – 500 011.

9. Value Added Tax Registration

The Commercial Taxes Department, Government of Andhra Pradesh has allotted VAT Registration Number 28740193523 pursuant to letter dated March 5, 2008.

10. Service Tax registration for transport of goods, business auxiliary services, erection, commissioning and installation and for distribution of input service

The office of the Central Excise and Customs, Hyderabad has registered our Company for the purposes of payment of service tax on transport of goods, business auxiliary services, erection, commissioning and installation and for distribution of input services pursuant to a certificate dated February 26, 2008 bearing Service Tax Cell number AACCB3170FST001.

11. Registration under Andhra Pradesh Tax on Professions, Trades, Callings and Employment Rules, 1987

The Deputy Commercial Tax Officer, pursuant to a certificate of registration dated August 7, 2007 bearing registration number BGT/09/01/P.T/R.C. No. 1598/2007 08, has registered our Company as an “employer” as defined under the Andhra Pradesh Tax on Professions, Trades, Callings and Employment Rules, 1987 (the “Rules”). Our Company is liable to pay professional tax as set out in Rules.

12. Factory License

The Inspector of Factories, R. R. District, has granted the license to work a factory at Survey No. 82, 83, 92 – 95 and 107, Athevelly Village, Medchal Mandal, R. R. District, Andhra Pradesh – 501 401 pursuant to certificate dated April 18, 2007 bearing registration number JDM/227/2007.

13. No Objection Certificate from Gram Panchayat for setting up of the tower manufacturing unit

The office of the Gram Panchayat Athvelly, Mandal Medchal has issued a “No Objection Certificate” dated July 19, 2006 for the setting up of our tower manufacturing facility at Survey No. 82, 83, 92 – 95 and 107, Athevelly Village, Medchal Mandal, R. R. District, Andhra Pradesh – 501 401.

14. Provident Fund Registration

The office of the Assistant Provident Fund Commissioner, Hyderabad has granted Provident Fund Registration to our Company for our factory premises at Survey No. 82, 83, 92 – 95 and 107, Athevelly Village, Medchal Mandal, R. R. District, Andhra Pradesh – 501 401 pursuant to certificate dated April 10, 2007 bearing registration number AP/HY/54300. The Employees Provident Fund Organisation has, pursuant to their letter dated March 11, 2008, recorded the change in the name of our Company to BS TransComm Limited.

15. Registration under the Employees’ State Insurance Act, 1948

The Employees’ State Insurance Corporation, Hyderabad has issued certification of registration dated September 9, 2007 bearing registration number 52-27982-67 to our Company for our factory premises at Survey No. 82, 83, 92 – 95 and 107, Athevelly Village, Medchal Mandal, R. R. District, Andhra Pradesh – 501 401.

16. Permission to install high, medium and low voltage installations at our factory premises

The Electricity Inspectorate, Hyderabad has authorised our Company to install:

- a. High Voltage Installations: Transformer of capacity 500 KVA
- b. Medium Voltage Installations: 80 KVA welding machine, 125 KVA DG Set and 150 KVA capacitors
- c. Light Voltage Installations: 10 KVA lighting load

17. Membership under Hyderabad Waste Management Project

Our Company has been granted a membership of the Hyderabad Waste Management Project pursuant to a membership certificate dated March 3, 2007 bearing membership number RRDMEB001.

18. Consent for establishment of factory under section 25 and 26 of the Water (Prevention and Control of Pollution) Act, 1974, section 21 of the Air (Prevention and Control of Pollution) Act, 1981

The Andhra Pradesh Pollution Control Board, Hyderabad has issued a consent order dated February 26, 2007 for a period of 5 years under section 25 and 26 of the Water (Prevention and Control of Pollution) Act, 1974 and section 21 of the Air (Prevention and Control of Pollution) Act, 1981 for the establishment of our plant at Survey No. 82, 83, 92 – 95 and 107, Athevelly Village, Medchal Mandal, R. R. District, Andhra Pradesh – 501 401 set up for the purposes of galvanizing communication and transmission towers. This consent has been accorded for manufacture of 24,000 metric tonnes of galvanized communication and transmission towers.

19. Consent under section 25 and 26 of the Water (Prevention and Control of Pollution) Act, 1974, section 21 of the Air (Prevention and Control of Pollution) Act, 1981 and rule 5 of the Hazardous Wastes (Management and Handling) Rules, 1989

The Andhra Pradesh Pollution Control Board, Hyderabad has issued a consent order dated May 31, 2007 till September 30, 2008 under section 25 and 26 of the Water (Prevention and Control of Pollution) Act, 1974, section 21 of the Air (Prevention and Control of Pollution) Act, 1981 and rule 5 of the Hazardous Wastes (Management and Handling) Rules, 1989 of discharge of sewage and/ or trade effluents/ outlets from our plant at Survey No. 82, 83, 92 – 95 and 107, Athevelly Village, Medchal Mandal, R. R. District, Andhra Pradesh – 501 401.

20. ISO 9001:2000 Quality Certification

Our Company has been granted ISO 9001:2000 for its manufacturing unit and for the supply of galvanized and ungalvanized towers pursuant to certificate dated December 27, 2006 bearing registration number RQ91/4842. The expiry date for the certification is December 26, 2009.

21. ISO 14001: 2004 Quality Certification

Our Company has been granted ISO 14001: 2004 for its manufacturing unit and for the supply of galvanized and ungalvanized towers pursuant to certificate dated February 26, 2008 bearing registration number RQ91/102. The expiry date for the certification is March 1, 2011.

22. Registration under the Shops and Commercial Establishment Legislations

- a. The Inspector, Shops and Establishments, Gurgaon has registered our Company's office at Unit No. 505 and 507, Galleria Towers, DLF Phase IV, Gurgaon, Haryana as a commercial establishment under the Punjab Shops and Commercial Establishment Act, 1958.
- b. The Assistant Commissioner of Labour – III, Hyderabad has registered our Company's office at No. 504, 5 the floor, Trendset Towers, Road No 2, Banjara Hills, Hyderabad – 500 034 as a commercial establishment under the Andhra Pradesh Shops and Commercial Establishment Act, 1988.

Licenses required for our new Project

We require the following licenses and approvals for our Project:

- a. A registration from the Department of Industries, Government of India
- b. A license from the Factories Department
- c. A license from the Department of Labour
- d. A registration with the Provident Fund Department
- e. A registration with the Employees State Insurance Corporation
- f. A "No Objection Certificate" from the Pollution Control Department
- g. A registration with the Central Excise Department

- h. A connection from the Electricity Board

Pending Licenses

- a. We have applied for registration of our trademark “BSG”, the logo as appearing on the cover page of the Draft Red Herring Prospectus, in class nine before the Trade Marks Registry, Chennai on May 14, 2008. The application for registration is currently pending.
- b. The Company’s tower manufacturing capacity is 36,000 metric tonnes. However, the consent accorded by the Andhra Pradesh Pollution Control Board, Hyderabad under section 25 of the Water (Prevention and Control of Pollution) Act, 1974 and section 21 of the Air (Prevention and Control of Pollution) Act, 1981 is for the manufacture of 24,000 metric tonnes of galvanized telecommunication and transmission towers. Consent for manufacture of the remaining 12,000 metric tonnes is currently pending.
- c. Consent under section 25 and 26 of the Water (Prevention and Control of Pollution) Act, 1974, section 21 of the Air (Prevention and Control of Pollution) Act, 1981 and rule 5 of the Hazardous Wastes (Management and Handling) Rules, 1989 is expiring on September 30, 2008 and we are yet to receive the fresh consent.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue of Equity Shares has been authorized by the resolution of the Board of Directors at their meeting held on May 30, 2008 subject to a approval of the shareholders through a Special Resolution to be passed pursuant to section 81(1A) of the Companies Act. The shareholders have, at the Annual General Meeting of our Company held on June 3, 2008, approved the Issue.

Prohibition by SEBI

Our Company, our Directors, our Promoters, the Directors or person(s) in control of our Promoter Companies, the group companies, companies promoted by our Promoters and the person(s) in control of companies promoted by our Promoters, and companies or entities with which our Company's Directors are associated as directors or promoters have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. The listing of any securities of our Company has never been refused at anytime by any of the stock exchanges in India.

Our Company, our Promoters, their relatives, group companies and associate companies has not been detained as willful defaulters by RBI / government authorities and there are no violations of securities laws committed by them in the past or pending against them.

Appropriate Clauses

Our Company is eligible for the Issue in accordance with Clause 2.2.1 of the SEBI DIP Guidelines as explained under, with the eligibility criteria calculated in accordance with unconsolidated financial statements under Indian Accounting Standards:

- Our Company has net tangible assets of at least Rs. 3 crores in each of the preceding three full years of which not more than 50% is held in monetary assets and is compliant with Clause 2.2.1(a) of the SEBI DIP Guidelines;
- Our Company has a track record of distributable profits in accordance with Section 205 of Companies Act, for at least three of the immediately preceding five years and is compliant with Clause 2.2.1(b) of the SEBI DIP Guidelines;
- Our Company has a net worth of at least Rs. 1 crore in each of the three preceding full years and is compliant with Clause 2.2.1(c) of the SEBI DIP Guidelines;
- The aggregate of the proposed Issue size and all previous issues made in the same financial year in terms of size (i.e. offer through the offer document + firm allotment + promoter's contribution through the offer document) is not expected to exceed five times the pre-Issue net worth of our Company as per the audited balance sheet of the last financial year and is compliant with Clause 2.2.1(e) of the SEBI DIP Guidelines

Our Company has changed its name in the last one year. However, more than 50% of its revenues have accrued from the activity suggested by the new name.

Further, we undertake that the number of Allottees in the Issue shall be least 1,000. Otherwise the entire application money shall be refunded forthwith. In case of delay, if any, in refund, the Company shall pay interest on the application money at the rate of 15% p.a. for the period of delay.

The Company's net tangible assets, monetary assets, net profit and net worth derived from our Audit Report for the last five years ended FY 2008 are set forth below:

	<i>(Rs. in lacs)</i>				
	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005	March 31, 2004
Net Tangible Assets ⁽¹⁾	10,939.78	6,870.02	1,288.42	387.17	119.25
Monetary Assets	202.52	65.41	0.45	0.21	8.68

(2)					
Net Profits, as restated	1,387.99	286.24	18.70	5.42	3.42
Net Worth, as restated	4,687.36	894.54	607.53	9.83	4.42

(1) Net tangible assets is defined as the sum of fixed assets (including capital work in progress and excluding revaluation reserves), current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities and long term liabilities)

(2) Monetary assets include cash on hand and bank. Detailed figures are given in the Auditor's Report dated September 22, 2008 pertaining to the Initial Public Offering of BS TransComm Limited.

DISCLAIMER CLAUSE

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 THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER IL&FS INVESTSMART SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURES AND INVESTOR PROTECTION) GUIDELINES IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER 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 HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED WHICH READS AS FOLLOWS:

- A. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE DRAFT REDHERRING PROSPECTUS PERTAINING TO THE OFFER.**
- B. 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 OFFER, 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 OFFER;**
 - b. ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE OFFER 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 REDHERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER.**
- C. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.**
- D. WHEN UNDERWRITTEN WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**
- E. WE CERTIFY THAT WRITTEN CONSENT FROM SHAREHOLDERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT REDHERRING PROSPECTUS.**
- F. 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.**
- G. 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 ISSUE.**
- H. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE ISSUER AND**

THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

- I. 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 FINAL PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.**
- J. WE CERTIFY THAT NO PAYMENT IN THE NATURE OF DISCOUNT, COMMISSION, ALLOWANCE OR OTHERWISE SHALL BE MADE BY THE COMPANY OR THE PROMOTERS, DIRECTLY OR INDIRECTLY, TO ANY PERSON WHO RECEIVES SECURITIES BY WAY OF FIRM ALLOTMENT IN THE ISSUE.**
- K. 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 EQUITY SHARES IN DEMAT OR PHYSICAL MODE.**
- L. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING DRAFT 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 OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

DISCLAIMER STATEMENT FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER:

OUR COMPANY, OUR DIRECTORS AND THE LEAD MANAGER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THE PROSPECTUS OR IN THE ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF THE ISSUER AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION, INCLUDING OUR WEBSITE WWW.BSGROUP.IN WOULD BE DOING SO AT HIS OWN RISK.

GENERAL DISCLAIMER

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to the Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares 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. The Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of the company.

The Book Running Lead Manager accept no responsibility, save to the limited extent as provided in the Underwriting Agreement to be entered into between the Underwriters and the Company and the Memorandum of Understanding

between the Book Running Lead Manager and the Company entered on September 26, 2008.

Our Company and the Book Running Lead Manager 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 the Company nor the Syndicate is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Note: The process of bidding through the ASBA process by ASBA Investors under the SEBI Circular dated July 30, 2008 may be subject to change from time to time which may either be of a clarificatory nature or otherwise and ASBA Investors are advised to make their own judgment about investment through this process prior to submitting a Bid-cum-ASBA Form to a SCSB.

Disclaimer in respect of jurisdiction

This Issue is made in India to persons resident in India (including Indian nationals resident in India who are majors, Hindu Undivided Families, Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks and regional rural banks, co-operative banks (subject to RBI permission), Trusts (registered under Societies Registration Act, 1860, or any other Trust law and are authorized under their constitution to hold and invest in shares) and to NRIs and FIIs as defined under the Indian Laws and other eligible foreign investors. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to 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 about and to observe any such restrictions.

Any disputes arising out of this Issue will be subject to the jurisdiction of courts in Hyderabad, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been submitted to the SEBI for its observations. Accordingly, the Equity Shares, represented thereby may not be offered 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 the Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act). Accordingly, the Equity Shares will be offered and sold only outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Disclaimer clause of 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 that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the issue is proposed to be made or for the correctness of the statements made or opinions expressed in the Draft Red Herring Prospectus. The Book Running Lead Manager have certified that the disclosures made in the Draft Red Herring Prospectus are generally adequate and are in conformity with 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.

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 any person in any such jurisdiction, except in compliance with applicable laws of such jurisdiction.

Disclaimer Clause of the Bombay Stock Exchange Limited (BSE)

As required, a copy of the Draft Red Herring Prospectus has been submitted to BSE. The BSE has given vide its letter dated [●], permission to the Issuer to use the Exchange's name in the Draft Red Herring Prospectus as one of the stock exchange on which this Company's securities are proposed to be listed. The BSE has scrutinized the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- i. warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; or
- ii. warrant that this Company's securities will be listed or will continue to be listed on the BSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that the Draft Red Herring Prospectus has been cleared or approved by the BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever”.

Disclaimer Clause of the National Stock Exchange of India Limited (NSE)

As required, a copy of the Draft Red Herring Prospectus has been submitted to NSE. NSE has given vide its letter dated [●] permission to the Issuer to use NSE's name in the Draft Red Herring Prospectus as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The NSE has scrutinized the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Draft Red Herring Prospectus has been cleared or approved by 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 this Issuer's securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoters, its management or any scheme or project of this Issuer”.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051.

A copy of the Red Herring Prospectus, along with documents to be filed under Section 60 of the Act, would be delivered for registration to the Registrar of Companies at 2nd Floor, CPWD Building, Kendriya Sadan, Sultan Bazar, Koti, Hyderabad - 500 195, India.

Listing

The Equity Shares issued through the Draft Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Initial listing applications have been made to the BSE and the NSE for permission to list the Equity Shares and for an official quotation of the Equity Shares of the Company. [●] shall be the Designated Stock Exchange.

In case the permission for listing of the Equity Shares is not granted by any of the above mentioned Stock Exchanges, the Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after the day from which the Issuer becomes liable to repay it or within 70 days from the Bid/ Issue Closing Date, whichever is earlier, then the Company and every director of the Company who is an officer in default shall, on and from expiry of 8 days, be jointly and severally liable to repay that money with interest, at 15% per annum on the application monies as prescribed under Section 73 of the Companies Act.

Our Company with the assistance of the Book Running Lead Manager 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 working days of finalisation of basis of Allotment for the Issue.

Impersonation

Attention of the applicants is specifically drawn to the provisions of Sub-Section (1) of Section 68A 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

The written consents of the Promoters, the Directors, the Company Secretary and Compliance Officer, the Auditor, the Legal Advisor, the Book Running Lead Manager to the Issue, the Syndicate Member, the Registrar to the Issue, the Underwriter to the Issue and the Bankers to the Company to act in their respective capacities, have been obtained and will be filed along with a copy of the Draft Red Herring Prospectus with SEBI and have agreed that such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration, as required under Section 60 and 60B of the Companies Act.

M/s. M. Bhaskara Rao and Co., Chartered Accountants, our statutory 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 this Red Herring Prospectus for registration to the Registrar of Companies.

M/s. M. Bhaskara Rao and Co., Chartered Accountants have given their written consent to the statement of 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 Red Herring Prospectus for registration with the Registrar of Companies.

The IPO Grading Agency engaged by us for the purpose of IPO Grading have given their consent as experts, pursuant to their letter dated [●] for the inclusion of their report in the form and content in which it will appear in the Red Herring Prospectus.

Expert Opinion

Except as otherwise disclosed in the Draft Red Herring Prospectus, our Company has not obtained any expert opinion.

Expenses of the Issue

The expenses of the Issue payable by our Company inclusive of brokerage, fees payable to the Book Running Lead Manager to the Issue, Registrar to the Issue, Legal Advisor, stamp duty, printing, publication, advertising and distribution expenses, bank charges, listing fees and other miscellaneous expenses are estimated as follows:

Details of fees payable

<i>(Rs. in lacs)</i>			
Particulars	Expenses	As a % of the Issue size	As a % of the total issue expenses
Management fees, underwriting commission and brokerage	[●]	[●]	[●]
Marketing and advertisement expenses	[●]	[●]	[●]
Stationery, printing and registrar expenses	[●]	[●]	[●]
Others	[●]	[●]	[●]
Total	[●]	[●]	[●]

Will be completed after the finalization of the Issue Price

Fees payable to the Book Running Lead Manager

The total fees payable to the Book Running Lead Manager will be as per the MoU signed between the Company and the Book Running Lead Manager, a copy of which is available for inspection at the Registered Office of our Company.

Fees payable to the Registrar to the Issue

The total fees payable to the Registrar to the Issue will be as per the Memorandum of Understanding signed with between the Company and the Registrar to the Issue, a copy of which is available for inspection at our Registered Office.

The Registrar to the Issue will also be reimbursed with all relevant out-of-pocket expenses such as cost of stationery, postage, stamp duty, communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to make refunds to unsuccessful applicants.

Others

The total fees payable to the Legal Advisor, Auditor and tax auditor will be as per the terms of their respective engagement letters.

Underwriting Commission, Brokerage and Selling Commission

The underwriting commission and selling commission for the Issue is as set out in the Syndicate Agreement entered between our Company, the Book Running Lead Manager and Syndicate Members on [●]. The underwriting commission shall be paid as set out in the Syndicate Agreement based on the Issue Price and amount underwritten in the manner mentioned in the Red Herring Prospectus.

Previous public or rights issues

Our Company has not made any public or rights issue since its inception.

Previous issue of shares otherwise than for cash

Please refer to the section titled 'Capital Structure' and 'History and Certain Corporate Matters' beginning on pages 15 and 85 respective of the Draft Red Herring Prospectus for details of shares issued otherwise than for cash.

Commission or brokerage on previous issues

Subject to payments to be made, if any, for the Pre-IPO Placement, no sum has been paid or payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

Outstanding debentures or bond issues

As on the date of filing the Draft Red Herring Prospectus, our Company does not have any outstanding debentures or has made any bond issue.

Outstanding Preference Shares

As on the date of filing the Draft Red Herring Prospectus, our Company does not have any outstanding preference shares.

Particulars in regard to the Company and other listed companies under the same management within the meaning of Section 370(1) (b) of the Companies Act which made any capital issue during the last three years

There are no listed companies under the same management within the meaning of Section 370(1)(B) of the Companies Act that made any capital issue during the last three years.

Promises Vs Performance

Our Company has not made any public issue since its inception. None of our group companies have made any public issue since their respective dates of inception.

Option to Subscribe

Equity Shares being offered through the Draft Red Herring Prospectus can be applied for in dematerialized form only.

Stock Market Data

This being the first public issue by our Company, no stock market data is available.

Disclosure on Investor Grievances and Redressal System

The MoU between the Registrar to this Issue and our Company entered on June 9, 2008 and an addendum to the same dated September 27, 2008 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 dispatch of the letters of allotment, demat credit and making refunds as per the modes disclosed to enable the investors to approach the Registrar to this Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to the Registrar to this Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection center where the application was submitted.

We estimate that the average time required by us or the Registrar to this Issue for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mr. Archit Sood, Company Secretary as the Compliance Officer and he may be contacted at 504, Trendset Towers, Road 2, Banjara Hills, Hyderabad – 500 034, Tel: +91 40 6666 6250, Fax: +91 40 6666 7268; Email: investors@bsgroup.in for redressal of any complaints.

Other Disclosures

Except as discussed in the Draft Red Herring Prospectus, the Promoter Company or the Promoter Group Companies or the Directors of the Company, have not purchased or sold any securities of the Company during a period of six months preceding the date of the Draft Red Herring Prospectus.

Our Company will make continuous disclosures on stages of development on the material agreements to Stock Exchange on a continuous basis, for the purpose of public dissemination.

Applications for withdrawal of Bids should be addressed to the Registrar to the Issue at Karvy Computershare Private Limited, Plot No. 17 to 24, Vithalrao Nagar, Madhapur, Hyderabad 500 086 at: einward.ris@karvy.com

Disposal of investor grievance by listed companies under the same management

There is no listed company under the same management as the Company.

Tax Implications

Investors that are allotted 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 details, please refer to the Financial Statements beginning on page 123 of the Draft Red Herring Prospectus.

Changes in the Auditors during last three years and reasons thereof

Changes in our auditors in the last three years are as follows:

Name of Auditor	Date of Appointment/ Resignation	Reasons for change
M/s P.K. Bajaj & Co.	January 12, 2004	Appointment
M/s P.K. Bajaj & Co.	November 17, 2006	Resignation
M/s S.K. Bang & Co.	November 17, 2006	Appointment
M/s S.K. Bang & Co.	January 7, 2008	Resignation
M/s M. Bhaskara Rao & Co.	January 7, 2008	Appointment

Capitalisation of reserves or profits during the last five years

Our Company has issued 68,92,600 Equity Shares as bonus to the existing shareholders of the Company in the ratio of 1:1. For details of the same, please refer to the section titled “Capital Structure” beginning on page 15 of the Draft Red Herring Prospectus.

Revaluation of assets during the last five years

Our Company has not revalued its assets since inception.

SECTION VII: ISSUE INFORMATION

ISSUE STRUCTURE

Public Issue of 76,79,410 Equity Shares of face value of Rs. 10 each for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] lacs (hereinafter referred to as the “Issue”).

Our Company is exploring the possibility of a Pre-IPO Placement of upto 22,09,744 Equity Shares. If the Pre-IPO Placement is completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement, will be reduced from the Issue, subject to a minimum Issue size of 25% of the post-Issue share capital.

The Issue will constitute 35.10 % of the total post issue paid-up equity capital of our Company. The Issue is being made through the 100% Book Building Process:

Particulars	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	Not more than 38,39,705 Equity Shares or Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders	Not less than 11,51,911 Equity Shares	Not less than 26,87,794 Equity Shares
Percentage of the Issue Size available for allocation	Not more than 50% (of which 5% shall be reserved for Mutual Funds) of the Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders *	Not less than 15% of the Issue*	Not less than 35% of the Issue *
Basis of allocation, if respective category is oversubscribed	Proportionate	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. [●] and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds Rs. [●] and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Share thereafter
Maximum Bid	Not exceeding the size of the Issue subject to regulations as applicable to the Bidder	Not exceeding the size of the Issue	Such number of Equity Shares so as to ensure that the Bid Amount does not exceed Rs. 100,000
Mode of Allotment	Compulsorily in dematerialized form	Compulsorily in dematerialized form	Compulsorily in dematerialised form
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	Public financial institutions, as specified in Section 4A of the Companies Act: scheduled commercial banks, mutual funds, foreign institutional investor registered with SEBI, multilateral and bilateral development financial institutions, Venture Capital Funds registered with SEBI, foreign Venture capital investors registered with SEBI, State Industrial Development Corporations, permitted	Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, NRIs, societies and trusts	Individuals (including NRIs and HUFs in the name of karta) applying for Equity Shares such that the Bid Amount does not exceed Rs. 100,000 in value

Particulars	QIBs	Non-Institutional Bidders	Retail Individual Bidders
	insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 2,500 lacs and pension funds with minimum corpus of Rs. 2,500 lacs in accordance with applicable law		
Terms of Payment	Margin Amount applicable to QIB Bidder 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 Bid cum Application Form to the Member of Syndicate
Margin Amount	10% of the Bid Amount in respect of bids placed by QIB Bidder	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 QIBs, Non-Institutional and Retail Individual categories would be allowed to be met with spillover inter-se from any other categories, at the sole discretion of our Company, BRLM and subject to applicable provisions of SEBI Guidelines.
- ** 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.

The number of prospective Allottees of Equity Shares in this Issue shall not be less than 1,000.

Withdrawal of the Issue

The Company, in consultation with the BRLM, reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Allotment, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment.

Letters of Allotment or Refund Orders

The Company shall credit each beneficiary account with its depository participant within 15 days of the Bid/Issue Closing Date. Applicants that are residents of 15 cities where clearing houses are managed by the RBI will receive refunds through ECS only (subject to availability of all information for crediting the refund through ECS) except where the applicant is eligible to receive refunds through direct credit and RTGS. In the case of other applicants, the Company shall ensure the dispatch of refund orders, if any, of value up to Rs. 1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk within 15 days of the Bid/Issue Closing Date.

Interest in case of delay in dispatch of Allotment Letters/Refund Orders

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines, the Company undertakes that:

- a. Allotment shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;
- b. Dispatch of refund orders shall be done within 15 days from the Bid/Issue Closing Date; and
- c. The Company shall pay interest at 15.00% per annum, if Allotment is not made, refund orders are not dispatched to the applicant or if, in a case where the refund or portion thereof is made in electronic mode/manner, the refund instructions have not been given to clearing members, and/or demat credits are not made to investors within the 15 day time period prescribed above.
- d. The Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue.
- e. 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, except where the refund or portion thereof is made in electronic mode/manner. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Bid/Issue Program

BID/ISSUE OPENS ON	[●], 2008
BID/ISSUE CLOSES ON	[●], 2008

Bids and any revision in Bids will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) during the Bid/Issue Period as mentioned above at the bidding centers mentioned in the Bid-cum-Application Form except that on the Bid/Issue Closing Date, Bids and any revision in Bids will only be accepted only between 10.00 a.m. and 3.00

p.m. (Indian Standard Time) and uploaded until (i) 5.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders and (ii) such time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 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).

The Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Guidelines. The cap 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 disclosed in the Red Herring Prospectus.

In case of revision in the Price Band, the Bidding Period shall be extended for three additional working days after such revision, subject to the Bidding Period not exceeding 10 working days. Any revision in the Price Band, and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLM and the terminals of the other members of the Syndicate.

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 the Company, conditions of RBI approval, if any, the terms of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus, Bid-cum-Application Form, the Revision Form, the Confirmation of Allocation Note (“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 the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Stock Exchanges, RBI, ROC and / or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The Board of Directors has, pursuant to resolution passed at its meeting held on May 30, 2008, authorised the Issue subject to the approval by the shareholders of the Company under Section 81(1A) of the Companies Act, and such other authorities as may be necessary. The shareholders of the Company have, pursuant to a resolution dated June 3, 2008, under Section 81(1A) of the Companies Act, authorised the Issue. The Board has approved and authorised the Draft Red Herring Prospectus pursuant to its resolution dated September 27, 2008.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Memorandum and Articles of Association and shall rank pari passu in all respects with the other existing shares of the Company including in respect of the rights to receive dividends.

Mode of payment of dividend

We shall pay dividend to our shareholders as per the provisions of the Companies Act.

Face Value and Issue Price

The Equity Shares with a face value of Rs.10 each are being offered in terms of the Draft Red Herring Prospectus at a price of Rs. [●] per share. At any given point of time, there shall be only one denomination for the Equity Shares of the Company, subject to applicable laws. The Issue Price is [●] times the face value of the Equity Shares.

Compliance with SEBI Guidelines

The Company 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 and Articles of Association of the Company.

For a detailed description of the main provisions of the Articles of Association of BS TransComm Limited dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and / or consolidation / splitting, please refer to the section titled ‘Main provision of the Articles of Association of our Company’ beginning on page 207 of the Draft Red Herring Prospectus.

Market Lot

The Equity Shares of the Company shall be allotted only in dematerialized form. In terms of existing SEBI Guidelines,

the trading in the Equity Shares of the Company shall only be in dematerialized form for all investors. Since trading of our Equity Shares is 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 multiple of one Equity Share, subject to a minimum allotment of [●] Equity Shares. For details of allocation and allotment, please refer to the section titled 'Issue Procedure' beginning on page 175 of the Draft Red Herring Prospectus.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with competent courts / authorities in Hyderabad, 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 the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered / Corporate Office or to our Registrar and Transfer Agents.

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:

- to register himself or herself as the holder of the Equity Shares; or
- to make such allotment 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 allot 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 the 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 changing 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 Issue to public including devolvment of Underwriters within 60 days from the date of closure of the Issue, the Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after the Company becomes liable to pay the amount, the Company shall pay interest as prescribed under Section 73 of the Companies Act.

Arrangement for disposal of odd lot

Our shares will be traded in dematerialized form only and therefore the marketable lot is one (1) Equity Share. Hence, there is no possibility of any odd lots.

Subscription by NRIs/ FIIs/Foreign Venture Capital Funds registered with SEBI

As per the extant policy of the Government of India, OCBs cannot participate in this Issue. The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, there exists a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors. It is to be distinctly understood that there is no reservation for NRIs, FIIs and all NRI, FIIs registered with SEBI applicants

will be treated on the same basis with other categories for the purpose of allocation.

The allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act. Accordingly, the Equity Shares will be offered 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. The Bidders are advised to make their own enquiries about the limits applicable to them. The Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. The Company and the BRLM are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Draft 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.

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein not more than 50% of the Issue shall be available for allocation to Qualified Institutional Buyers on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue would be available for allocation to Non-Institutional Bidders and not less than 35% of the Issue would be available for allocation to Retail Individual Bidders on a proportionate basis, subject to valid bids being received from them at or above the Issue Price.

In addition to the conditions laid down under clause 2.2.1 of the SEBI Guidelines, the number of prospective Allottees of Equity Shares in this Issue shall not be less than 1,000.

The ASBA Process

Supplementary process of applying in public issues through Bid cum Applications Supported by Blocked Amount for certain eligible Retail Individual Investors, who qualify as ASBA Investors

Note: The process of bidding through the ASBA process by ASBA Investors under the SEBI Circular dated July 30, 2008 may be subject to change from time to time which may either be of a clarificatory nature or otherwise and ASBA Investors are advised to make their own judgment about investment through this process prior to submitting a Bid-cum-ASBA Form to a SCSB.

In addition to the current process of applying through Bid-cum-Application Forms, wherein a cheque is used as a mode of payment, SEBI, by its circular no. SEBI/CFD/DIL/DIP/31/2008/30/7 dated July 30, 2008 has introduced a an optional and supplementary process for applying in public issues by ASBA Investors, viz. the Application Supported by Blocked Amount (“**ASBA**”), containing an authorisation to block the application money in a bank account held with a Self Certified Syndicate Bank.

Only those Retail Individual Bidders who qualify as ASBA Investors are eligible to submit their Bids through the ASBA process. Investors other than ASBA Investors are required to follow the process as mentioned under Bid-cum-Application Form beginning on page 179 of the Draft Red Herring Prospectus.

Who can Bid as an ASBA Investor?

- a. is a “Resident Retail Individual Investor”;
- b. is bidding at cut-off, with single option as to the number of shares bid for;
- c. is applying through blocking of funds in a bank account with the SCSB;
- d. has agreed not to revise his/her bid;
- e. is not bidding under any of the reserved categories

An ASBA Investor shall only use a Physical Bid-cum-Application form Supported by Blocked Amounts (“**Physical Bid Cum ASBA Form**”) or Electronic Bid-cum-Application form Supported by Blocked Amounts (“**Electronic Bid Cum ASBA Form**”) and collectively (“**Bid Cum ASBA Form**”) available with the SCSB which shall submitted either physically or electronically as the case may be through the internet banking facility, to the Designated Branches (“**DB**”) of the SCSB with whom the bank account to be blocked, is maintained by such ASBA Investor.

SCSB is a bank, registered under the SEBI (Bankers to the Issue) Regulations 1996, which offers the facility of applying through the ASBA process and has its name included in the SEBI’s list of SCSBs displayed on its website at www.sebi.gov.in. Bid-cum-ASBA forms can be accepted only by SCSBs.

A SCSB shall identify its DBs at which an ASBA investor shall submit the bid-cum-ASBA forms and shall also identify the CB which shall act as a coordinating branch for the Registrar to the Issue, Stock Exchanges and Merchant Bankers. The SCSB may identify new DBs for the purpose of ASBA process and intimate details of the same to SEBI, after which SEBI will add the DB to the list of SCSBs maintained by it.

The ASBA investor should ensure that it has a Savings Account with the DB, to be eligible for making an application through ASBA. The Investor should check the SEBI website, www.sebi.gov.in, for details of the DBs.

A soft copy of the Abridged Prospectus would also be made available on the website of the SCSB, along with the Electronic Bid Cum ASBA Form, so as to enable an ASBA Investor to confirm that he/she has read and understood the terms and conditions of the Abridged Prospectus, before applying in the Issue.

Bid-cum-ASBA Form

An ASBA Investor shall only use the Bid-cum-ASBA Form for making a Bid in terms of the Red Herring Prospectus which shall be submitted either electronically or physically to the SCSB with whom the bank account to be blocked is maintained. The ASBA Investor shall have only one option as to the number of Equity Shares Bid for. The SCSB shall give an acknowledgement specifying the application number to the ASBA Investor as proof of having accepted the Bid in physical or electronic form. The SCSB shall then block the application money in the bank account of such ASBA Investor held with the SCSB specified in the Bid-cum-ASBA Form, on the basis of an authorisation to this effect given by the ASBA Investor and thereafter upload the Bid Cum ASBA in the electronic bidding system of the Stock Exchange. In case sufficient funds are not available in the account of the ASBA Investor, SCSB shall reject the Bid cum ASBA.

Upon completing and submitting the Bid-cum-ASBA Form to a SCSB, either electronically or physically, as has been elaborated hereinbelow, the ASBA Investor is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid-cum-ASBA Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the ASBA Investor.

General Instructions

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the Bid cum ASBA Form.
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Ensure that the Bids are submitted to the DB of the SCSB on forms bearing the stamp of SCSB
- Ensure that you have been given a TRS for your Bid;
- Ensure that the bid is at the cut off price;
- Ensure that you mention your Permanent Account Number (PAN) allotted under the I.T. Act with the Bid cum ASBA Form.; and
- Ensure that the details (as defined hereinbelow) are updated, true and correct in all respects.
- Ensure that the name(s) given in the Bid Cum ASBA Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid Cum ASBA Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

- Do not Bid for lower than the minimum Bid size;
- Do not revise Bid Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to DB of an SCSB;
- Do not pay the Bid amount in cash;
- Do not provide your GIR number instead of your PAN number.
- Do not send Bid-cum-ASBA Form by post; instead submit the same to DB of an SCSB
- Do not fill up the Bid-cum-ASBA 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; a

Method and Process of Bidding for ASBA Investors

1. An ASBA Investor, shall submit a completed Bid –cum- ASBA Form to a SCSB, with whom the bank account to be blocked, is maintained, by either submitting the Bid-cum-ASBA Form physically with the Designated Branches of the SCSB or submit the Bid-cum-ASBA Form electronically through the internet banking facility offered by the SCSB. In case of an electronic upload of the Bid-cum-ASBA Form, the ASBA Investor himself shall fill in all the abovementioned details, except the application number which shall be system generated.
2. The SCSB shall give an acknowledgement specifying the application number to the ASBA investor, as a proof of having accepted his/ her ASBA in a physical or electronic mode.
3. After accepting an ASBA, the SCSB shall block funds available in the bank account specified in the Physical ASBA, to the extent of the application money specified in the ASBA; only thereafter the SCSB shall capture/ upload the following details in the electronic bidding system provided by the Stock Exchanges:
 - (i) Application number
 - (ii) DP ID, Client ID
 - (iii) Bid Quantity
 - (iv) PANIn case of an electronic upload of the Bid-cum-ASBA Form, the SCSB shall thereafter upload all the abovementioned details in the electronic bidding system provided by the Stock Exchange(s).
5. The SCSB shall generate a Transaction Registration Slip/ order number, confirming upload of ASBA details in the electronic bidding system of the Stock Exchanges. The Transaction Registration Slip number shall be given to the ASBA investor as a proof of uploading the details of ASBA, only on demand.
6. The SCSB shall also ensure that the amount blocked by it in the bank accounts specified in the ASBA form shall be available at all times for giving to the Issuer at the time of finalization of allotment

Issuance of Confirmation of Allocation Note

The dispatch of the CAN to an ASBA Investor shall be deemed to be a valid, binding and irrevocable contract for the ASBA Investor, whose funds shall thereafter be unblocked by the SCSB and shall be transferred to the Public Issue Account for the payment of the entire Issue Price for allocation for all the Equity Shares transferred to such ASBA Investor.

Terms of Payment and Payment into the Public Issue Account by the SCSB

Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar shall provide the following details to the SCSB, along with instructions to unblock the relevant bank accounts and transfer the requisite money to the Public Issue Account on a date falling within 13 days from the Bid/Issue closing date as informed by the Book Running Lead Manager.

1. Number of shares to be allotted against each valid ASBA
2. Amount to be transferred from the relevant bank account to the Issuer's account, for each valid ASBA

3. The date by which the funds referred to in sub-para (2) above, shall be transferred to the Public Issue Account
4. 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.

Specific Instructions for ASBA Investors and grounds for rejection of Bids:

- 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
- Check all the details entered into the Bid-cum-ASBA Form are correct. 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 ASBAs 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 ASBAs determined as such, based on common PAN.
- Ensure that multiple ASBAs 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 ASBA does have sufficient credit balance to meet the application money, in absence of which the application 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 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 yourselves 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 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.

Revision of Price Band

SCSB shall ensure that information about revision in the Bidding Period or price band, as and when received, is communicated and effected to in its systems promptly, for information of ASBA Investors

Withdrawal of Bids

In case an ASBA investor wants to withdraw his ASBA during the bidding period, he shall submit his 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 Exchanges and unblocking of funds in the relevant bank account.

In case an ASBA Investor wants to withdraw his ASBA after the Bid/ Issue Closing Date, he shall submit the withdrawal request to the Registrar. The Registrar shall delete the withdrawn Bid from the bid file.

Other Information

In case of failure or withdrawal of the Issue, on receipt of appropriate instruction from the Book Running Lead Manager, the SCSB shall unblock the bank accounts latest by the next day of receipt of such instruction.

The SCSB shall not accept any Bid Cum ASBA after the closing time of acceptance of Bids on the last day of the Bidding period.

Unblocking of Funds

Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar shall provide the following details to the Controlling Branch 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 (b) above, shall be transferred to the issuer's account
- (iv) Details of rejected Bid Cum ASBA, if any, along with reasons for rejection and details of withdrawn/ unsuccessful ASBAs, if any, to enable SCSBs to unblock the respective bank accounts. SCSB shall thereafter unblock the amounts blocked in the account of the ASBA Investor.

Current process of applying through a Bid-cum-Application Form wherein a cheque is used as a mode of payment

Bidders are required to submit their Bids through the Syndicate. In case of QIB Bidders, the Company in consultation with the BRLM may reject Bids at the time of acceptance of 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, Retail Individual Bidders, the Company would have a right to reject the Bids only on technical grounds.

Investors should note that Allotment to all successful Bidders will only be 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 Exchanges.

Bid-cum-Application Form

Bidders shall only use the Bid-cum-Application Form bearing the stamp of a Syndicate member for making a Bid in terms of the Draft 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 CAN and filing of the Prospectus with the ROC, the Bid-cum-Application Form shall be considered as the Application Form. Upon completing and submitting the Bid-cum-Application Form to a Syndicate member, the Bidder is deemed to have authorized us to make the necessary changes in the Draft Red Herring Prospectus and the Bid-cum-Application Form as would be required for filing the Prospectus with the ROC and as would be required by the ROC 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 NRIs applying on a non-repatriation basis	White
Non-residents including NRIs, FIIs, Foreign Venture Capital Fund applying on repatriation basis	Blue

Investors should note that Equity Shares would be allotted to all successful Bidders only in dematerialized form.

Bidders will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Who can Bid?

1. Indian nationals resident in India who are majors, in single or joint names (not more than three);
2. 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, corporate bodies and societies registered under the applicable laws in India and authorized to invest in Equity Shares;
4. Indian mutual funds registered with SEBI;
5. Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI regulations and SEBI regulations, as applicable);
6. Venture capital funds registered with SEBI;
7. Foreign venture capital investors registered with SEBI subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue;
8. FIIs registered with SEBI subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue;
9. State Industrial Development Corporations;
10. Insurance companies registered with the Insurance Regulatory and Development Authority;
11. Provident funds with minimum corpus of Rs. 2,500 lacs and who are authorized under their constitution to invest in Equity Shares;
12. Pension funds with minimum corpus of Rs. 2,500 lacs and who are authorized under their constitution to invest in Equity Shares;
13. National Investment Fund
14. Trusts registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts and who are authorized under their constitution to hold and invest in Equity Shares;
15. Eligible Non-residents including NRIs and FIIs on a repatriation basis or a non-repatriation basis subject to applicable local laws;
16. Scientific and/or industrial research organizations authorized under their constitution to invest in Equity Shares;
17. Any other QIBs permitted to invest, subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue;
18. Pursuant to the existing regulations, OCBs are not eligible to participate in the Issue.

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.

Participation by associates of BRLM and Syndicate Member

The BRLM and Syndicate Member shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. Associates and affiliates of the BRLM and Syndicate Members may subscribe for Equity Shares in the Issue, including in the QIB Portion and Non-Institutional Portion where the allocation is on a proportionate basis. Such bidding and subscription may be on their own account or their clients..

Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by Mutual Funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights. These limits would have to be adhered to by the mutual funds for investment in the Equity Shares.

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.

Under the SEBI Guidelines 5% of the QIB portion i.e. 1,91,985 Equity Shares has been specifically reserved for Mutual Funds.

Application by NRIs

Bid cum Application forms have been made available for NRIs at the registered office of the Company.

NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category.

Application by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of the post-Issue paid-up capital of the Company. In respect of an FII investing in Equity Shares of the Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of the Company. As of now, the aggregate FII holding in the Company cannot exceed 24 % of the total paid-up capital of the 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 of this date no such resolution has been recommended for adoption.

A sub account of a FII which is a foreign corporate or foreign individual shall not be considered to be a Qualified Institutional Buyer, as defined under the DIP Guidelines, for this Issue.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII or its sub-account may 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 favour of those entities or their investment manager or advisor which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII 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.

Application by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

As per the current regulations, the following restrictions are applicable for SEBI registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund or foreign venture capital investor registered with SEBI should not exceed 25% of the corpus of the venture capital fund/ foreign venture capital investor. However, venture capital funds or foreign venture capital investors may invest not more than 33.33% of their respective investible funds in various prescribed instruments, including in initial public offers of venture capital undertakings.

The above information is given for the benefit of the Bidders. The Company and the Book Running Lead Manager is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft 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, subject to maximum Bid amount of Rs. 1,00,000. In case the maximum Bid amount is more than Rs. 1,00,000 then the same would be considered for allocation under the Non-Institutional Bidders category. The Cut-off option is given only to the Retail Individual Bidders indicating their agreement to bid and purchase at the final Issue Price as determined at the end of the Book Building Process. The Retail Individual Bidders shall also have the option of making payment through the ASBA Process.

For Non-Institutional Bidders and QIBs Bidders: The Bid must be for a minimum of such Equity Shares such that the Bid Amount exceeds Rs. 1,00,000 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 cannot withdraw its Bid after the Bid/Issue Closing Date.

In case of revision of bids, the Non Institutional Bidders who are individuals, have to ensure that the Bid Amount is greater than Rs. 1,00,000. In case the Bid Amount reduces to Rs. 1,00,000 or less due to a revision in Bids or revision of the Price Band, the same would be considered for allocation under the Retail portion. Non Institutional Bidders and QIB Bidders are not allowed to Bid at 'cut-off'.

Information for Bidders

1. Our Company will file the Draft Red Herring Prospectus with SEBI
2. Our Company will file the Red Herring Prospectus with the ROC atleast three days prior to the Bid/ Issue Opening Date.
3. The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid-cum-Application Form to potential investors.
4. Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and / or the Bid-cum-Application Form can obtain the same from our corporate office or from the BRLM / Syndicate Members.
5. Investors who are interested in subscribing for our Company's Equity Shares should approach the BRLM or Syndicate Member or their authorized agent(s) to register their Bid.
6. The Bids should be submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Forms should bear the stamp of the members of the Syndicate. Bid-cum-Application Forms, which do not bear the stamp of the members of the Syndicate, will be rejected.

Method and Process of Bidding

- a. 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 ROC, and also publish the same in one English national daily, one Hindi national daily and one regional daily newspaper. This advertisement shall contain the salient features of the Red Herring Prospectus in the nature of the specifications under Form 2A of the Companies Act, the method and process of bidding and the name and addresses of the BRLM, and the Syndicate Members and their bidding centers. The Syndicate Members shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.
- b. Investors who are interested in subscribing for the Equity Shares should approach any of the members of the Syndicate or their authorized agent(s) to register their Bid.
- c. The Bidding/Issue Period shall be a minimum of three working days and not exceeding seven working days. In case the Price Band is revised, the revised Price Band and Bidding Period will be published in three national newspapers (one each in English, Hindi and Bengali) and the Bidding/Issue Period may be extended, if required, by an additional three days, subject to the total Bidding/Issue Period not exceeding ten working days.

- d. Each Bid-cum-Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph entitled “Bids at Different Price Levels” below) and specify the demand (i.e. the number of 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.
- e. 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 titled ‘Build up of the Book and Revision of Bids’ beginning on page 187 of the Draft Red Herring Prospectus.
- f. 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.
- g. During the Bidding Period, Bidders may approach the Syndicate Member to submit their Bid. Every Syndicate Member shall accept Bids from all clients / investors who place orders through them and shall have the right to vet the Bids.
- h. Along with the Bid-cum-Application Form, all Bidders will make payment in the manner described under the paragraph titled ‘Terms of Payment’ beginning on page 185 of the Draft Red Herring Prospectus.

Bids at Different Price Levels

The Price Band has been fixed at Rs. [●] to Rs. [●] per Equity Share of Rs. 10 each, 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.

1. In accordance with SEBI Guidelines, the Company reserves the right to revise the Price Band during the Bidding Period in accordance with 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 disclosed in the Red Herring Prospectus.
2. In case of revision in the Price Band, the 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 Period/Issue Period, if applicable, will be widely disseminated by notification to NSE and BSE, by issuing a public notice in three national newspapers (one each in English, Hindi and Bengali), and also by indicating the change on the website of the BRLM and at the bidding terminals of the members of the Syndicate..
3. The Company in consultation with the BRLM can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.
4. Bidders can bid at any price within the Price Band. Bidders have to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders and Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 1,00,000 may bid at Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB Bidders and Non-Institutional Bidders and such Bids from QIB Bidders and Non Institutional Bidders shall be rejected.
5. Retail Individual Bidders and Bidders in the Reservation Portion 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 bidding at Cut-off Price shall deposit the Bid Amount (based on the Payment Method opted for) based on the Cap Price in the respective Escrow Accounts. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who Bid at Cut-off Price (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the Retail Individual Bidders, who Bid at Cut off Price, shall receive the

refund of the excess amounts from the respective Escrow Accounts/refund account(s).

6. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had bid at Cut Off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the revised Price Band, with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs. [●], the Bid will be considered for allocation under the Non Institutional category in terms of the Draft Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut off.
7. In case of a downward revision in the Price Band Retail Individual Bidders and Bidders in the Reservation Portion, who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the respective Escrow Accounts/refund account(s).
8. 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.

Escrow Mechanism

Escrow Account

Our Company and the BRLM shall open Escrow Accounts with one or more Escrow Collection Banks in whose favor the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the bid. Cheques or demand drafts received for the full Bid amount from 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 to be entered into amongst the Company, the BRLM, Escrow Bankers and Registrar to the Issue. The monies in the Escrow Account shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. 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 Issue Account with the Bankers to the Issue as per the terms of the Escrow Agreement. Payments of refunds to the Bidders shall also be made from the Escrow Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Escrow Collection Bank(s), our Company, Registrar to the Issue and BRLM to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Account

Each Bidder shall provide the applicable Margin Amount, with the submission of the Bid cum Application Form draw 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 see the section titled "Issue Procedure-Payment Instructions" beginning on page 193 of the 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 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 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 the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Accounts, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be held for the benefit of the Bidders who are entitled to refunds.

Electronic Registration of Bids

- (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 to each city where a stock exchange is located in India and the 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 Syndicate Member and their authorized agents during the Bidding Period. Syndicate Member can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Syndicate Member shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the on a regular basis.
- (c) The aggregate demand and price for Bids registered on the electronic facilities of NSE and BSE will be downloaded on a regular basis, consolidated and displayed on-line at all bidding centers. A graphical representation of the consolidated demand and price would be made available at the bidding centers and the websites of the Stock Exchanges during the Bidding/Issue Period..
- (d) At the time of registering each Bid, the Syndicate Member shall enter the following details of the investor in the on- line system:
 - Name of the investor;
 - Investor Category such as Individual, Corporate, NRI, FII or Mutual Fund;
 - Numbers of Equity Shares bid for;
 - Bid price;
 - Bid-cum-Application Form number;
 - Whether payment is made 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 request and obtain the TRS from the members of the Syndicate.** The registration of the Bid by the Syndicate Member does not guarantee that the Equity Shares shall be allocated either by the Syndicate Member or the 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, the members of the Syndicate can reject the Bids at the time of accepting the Bid provided that the reason for such rejection is provided in writing. In case of Bids under the Non- Institutional Portion, Bids under the Retail Individual Portion and Bids under the Reservation Portion would not be rejected except on the technical grounds listed in the Draft Red Herring Prospectus.
- (h) It is to be distinctly understood that the permission given by NSE and BSE 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 the Company and the BRLM are cleared or approved by NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company.

- (i) It is also to be distinctly understood that the approval given by NSE and BSE should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by the NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the NSE and BSE.

Build Up of the Book and Revision of Bids

- (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.
- (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.
- (d) Revisions can be made in both the desired number of Equity Shares and the Bid price 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. 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 he 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 Draft Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate may at their sole discretion waive the payment requirement 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 Member. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.
- (h) In case of discrepancy of data between BSE or NSE and the Syndicate Member, the decision of the BRLM based on physical records of Bid cum Application Forms shall be final and binding to 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 BRLM shall finalise the "Issue Price", the number of Equity Shares to be allotted and the allocation to successful Bidders.
- (c) The allocation for QIBs, Not more than 50% of the Issue (including 5% specifically reserved for Mutual Funds) would be on a proportionate basis in consultation with Designated Stock Exchange subject to valid bids being received at or above the Issue Price. The allocation to Non-Institutional Bidders and Retail Individual Bidders of not less than 15% and 35% of the Issue, respectively, would be on proportionate basis, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
- (d) Undersubscription, if any, in any category would be allowed to be met with spill over from any of the other categories at the discretion of our Company in consultation with the BRLM. However, if the aggregate demand by Mutual Funds is less than 1,91,985 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB Portion has not been met, under-subscription, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM.
- (e) Allocation to eligible NRIs or FIIs or Foreign Venture Capital Fund registered with SEBI, Multilateral and Bilateral Development Financial Institutions applying on repatriation basis will be subject to the terms and conditions stipulated by RBI.
- (f) The BRLM, in consultation with our Company, shall notify the Syndicate Member of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
- (g) Our Company reserves the right to cancel the Issue any time after the Bid/Issue Closing Date but before Allotment without assigning any reasons whatsoever.
- (h) In terms of SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/ Issue Closing Date.
- (i) The Allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

- (a) The Company, the BRLM and the Syndicate Members shall enter into an Underwriting Agreement on finalization of the Issue Price and allocation(s) to the Bidders.
- (b) After signing the Underwriting Agreement, the Company and the Book Running Lead Manager would update and file the updated Red Herring Prospectus with RoC, which then would be termed "Prospectus". The Prospectus would have details of the Issue Price, Issue Size, underwriting arrangements and would be complete in all material respects.

Filing of the Prospectus with the ROC

We will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by our Company after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the Red Herring Prospectus and the Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allocation Note ("CAN")

- (a) Upon approval of basis of allocation 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 allocation 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 and Non-Institutional Bidders. However, investors should note that the Company shall ensure that the date of Allotment of the Equity Shares to all investors in this Issue shall be done on the same date.
- (b) The BRLM or members of the Syndicate would then dispatch 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 entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid into the Escrow Accounts at the time of bidding shall pay in full the amount payable into the Escrow Accounts by the Pay-in Period specified in the CAN.
- (c) Bidders who have been allocated Equity Shares and who have already paid 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. The dispatch of a CAN shall be a deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares to be allotted to such Bidder.
- (d) The Issuance of CAN is subject to Allotment/ Transfer Reconciliation and Revised CANs as set forth below.

Notice to QIBs: Allotment/ Transfer Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bid applications received. Based on the electronic book, QIBs will be sent a CAN on or prior to [●], 2008, indicating the number of Equity Shares that may be allotted 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 physical 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 and specified in the physical book. 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. It is not necessary that a revised CAN will be sent. 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 Allotment 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

1. The Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Accounts to the Public Issue Account on the Designated Date, we would ensure the credit to the successful Bidders depository account within two working days of the date of Allotment.
2. As per SEBI Guidelines, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, in the manner stated in the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

Letters of Allotment or refund orders

We shall give credit to the beneficiary account with Depository Participants within two working days from the date of the finalisation of basis of allocation. Applicants residing at 68 centres where clearing houses are managed by the RBI, State Bank of India, Punjab National Bank, State Bank of Indore, Union Bank of India, Andhra Bank, Corporation Bank, Bank of Baroda, State Bank of Travancore, Central Bank of India, Canara Bank, Oriental Bank of Commerce, United Bank of India, State Bank of Hyderabad and State Bank of Bikaner and Jaipur will get refunds through ECS (subject to availability of information for crediting the refund through ECS) except where applicant is otherwise disclosed as eligible to get refunds through Direct Credit, NEFT or RTGS. In case of other applicants, we shall ensure despatch of refund orders, if any, of value up to Rs. 1,500 by "Under Certificate of Postin", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post only at the sole or First Bidder's sole risk within 15 days of the Bid Closing Date/Issue Closing Date and adequate funds for the purpose shall be made available to the Registrar by us.

In accordance with the requirements of the Stock Exchanges and SEBI Guidelines, we undertake that:

- Allotment shall be made only in dematerialised form within 15 days from the Issue Closing Date;
- Despatch of refund orders shall be done within 15 days from the Issue Closing Date; and
- We shall pay interest at 15% per annum (for any delay beyond the 15-day time period as mentioned above), if Allotment is not made, refund orders are not despatched and/or demat credits are not made to Bidders 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 upload of the demat credit.

We will provide adequate funds required for despatch of refund orders or Allotment advice to the Registrar to the Issue. Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Bank(s) and payable at par at places where Bids are received. The bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

General Instructions

Do's:

- a) Check if you are eligible to apply;
- b) Read all the instructions carefully and complete the Resident Bid cum Application Form (white in colour), Non-Resident Bid cum Application Form (blue in colour, or Employee Reservation Portion Bid cum Application Form (pink in colour), as the case may be;
- c) Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- d) Ensure that the Bids are submitted at the bidding centres 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 the price band;
- h) Ensure that you mention your Permanent Account Number (PAN) allotted under the I.T. Act with the Bid cum Application Form.; and

- i) Ensure that the Demographic Details (as defined hereinbelow) are updated, true and correct in all respects.
- j) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

- a) Do not Bid for lower than the minimum Bid size;
- b) Do not Bid/ revise Bid price to less than the lower end of the price band or higher than the higher end of the price band;
- c) Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to the member of the Syndicate;
- d) Do not pay the Bid amount in cash;
- e) Do not provide your GIR number instead of your PAN number.
- f) Do not send Bid-cum-Application Forms by post; instead submit the same to members of the Syndicate only;
- g) Do not Bid at cut off price (for QIBs and non-institutional bidders);
- h) 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; and
- i) Do not submit Bid accompanied with Stock invest.

Instructions for completing the Bid-cum-Application Form

Bidders can obtain Bid-cum-Application Forms and / or Revision Forms from the BRLM or Syndicate Member.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

- (a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white colour for Resident Indians and blue colour for NRI or FII or Foreign Venture Capital Fund 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. 1,00,000
- (d) For Non-institutional and QIB Bidders, Bids must be for a minimum Bid Amount of Rs. 1,00,000 and in multiples of [●] Equity Shares thereafter. All Individual Bidders whose maximum bid amount exceeds Rs. 1,00,000 would be considered under this category. 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) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the

Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's Bank Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the Bidders bank account details. These bank account details would be used for making refunds, if any, as per the modes disclosed. 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 credit of refunds to Bidders at the Bidders sole risk and neither the BRLM nor the Company shall have any responsibility and undertake any liability for the same.

Bidder's Depository Account Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). 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 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.

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 CANs/Allocation Advice and making refunds as per the modes disclosed and the Demographic Details given by Bidders in the Bid cum Application Form would not be used for these purposes by the Registrar.

Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct.

By signing the Bid cum Application Form, Bidder would have deemed to authorize the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

In case of Bidders receiving refunds through electronic transfer of funds, delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form 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 Company, the Registrar, Escrow Collection Bank(s) nor the BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, 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. The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice / refunds through electronic transfer of funds, the Demographic Details given on the 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 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 bye laws must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

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 lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

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 lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason. 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 lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

The Company in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that the Company and the BRLM may deem fit.

The Company in our 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, 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 Non-Residents, NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI on a repatriation basis.

Payment Instructions

The Company shall open Escrow Accounts 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:

Payment into Escrow Account:

1. The Bidders 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.
2. 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 or the Call Notice, as applicable to the category of Bidder based on the Payment Method selected by the Bidder.
3. The payment instruments for payment into the Escrow Account should be drawn in favor of:

- a. In case of QIBs: **"Escrow Account – BS TransComm Limited Public Issue - QIB - R"**;
- b. In case of non-resident QIB Bidders: **"Escrow Account - BS TransComm Limited Public Issue - QIB - NR"**;
- c. In case of Resident Retail and Non Institutional Bidders: **"Escrow Account - BS TransComm Limited - Public Issue"**;
- d. In case of Non Resident Retail and Non Institutional Bidders: **"Escrow Account - BS TransComm Limited - Public Issue - NR"**;

In case of bids by NRIs applying on a repatriation basis, the payments must be made through Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in the NRE Accounts or the Foreign Currency Non-Resident Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO).

In case of Non-Resident Bidders bidding on a repatriation basis, payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to the NRE Account or the Foreign Currency Non-Resident Account.

In case of Bids by FIIs, the payment should be made out of funds held in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to Special Rupee Account.

- 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 Escrow Accounts.
- The monies deposited in the Escrow Account will be held for the benefit of the Bidders till 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 the Banker to the Issue.
- On the Designated Date and no later than 15 days from the Bid Closing Date/Issue Closing Date, the Escrow Collection Bank(s) shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after 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 center 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/ stock invest/money orders/ postal orders will not be accepted.

Payment by Stock invest

In terms of Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.001/2003-04 dated November 5, 2003, the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of bid money has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

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. Each member of the Syndicate may, at its sole discretion, waive the requirement of payment at the time of submission of the Bid cum Application Form and Revision Form provided however that for QIB Bidders the Syndicate Members shall collect the QIB Margin and deposit the same in a specifies escrow account.

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.

Other Instructions

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favor of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form ('First Bidder'). All communications will be addressed to the First Bidder and will be dispatched to his or her address.

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 which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications with the same name and age will be accumulated and taken to a separate process file as probable multiple master.
2. In this master, a check will be carried out for the same PAN/GIR numbers. In cases where the PAN/GIR numbers are different, the same will be deleted from this master.
3. The Registrar to the Issue will obtain, from Depositories, details of the applicants' address based on the DP ID and Beneficiary Account Number provided in the Bid-cum-Application Form and create an address master.
4. Then the addresses of all these applications from the address master will be strung. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names.
5. The applications will be scanned for similar DP ID and Client ID numbers. In case applications bear the same numbers, these will be treated as multiple applications.
6. After consolidation of all the masters as described above, a print out of the same will be taken and the applications physically verified to tally signatures as also fathers/husbands 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 Funds and such Bids in respect of more than one scheme of the Mutual Funds will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

Permanent Account Number ("PAN")

The Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her Permanent Account Number (PAN) allotted under the I.T. Act. Applications without this information and documents will be considered incomplete and are liable to be rejected. **It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.**

Right to Reject Bids

In case of QIB Bidders, the Company in consultation with the BRLM may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders and Retail Individual Bidders who Bid, the Company has a right to reject Bids on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected among others on the following technical grounds:

- 1) Amount paid doesn't tally with the highest number of Equity Shares bid for;
- 2) Age of First Bidder not given;
- 3) Bids by Persons not competent to contract under the Indian Contract Act, 1872, including minors, insane persons;
- 4) PAN number not stated and GIR number given instead of PAN number;
- 5) Bids for lower number of Equity Shares than specified for that category of investors;
- 6) Bids at a price less than lower end of the Price Band;
- 7) Bids at a price more than the higher end of the Price Band;
- 8) Bids at cut-off price by Non-Institutional and QIB Bidders;
- 9) Bids for number of Equity Shares which are not in multiples of [●];
- 10) Category not ticked;
- 11) Multiple bids as defined in the Draft Red Herring Prospectus;
- 12) In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- 13) Bids accompanied by Stock invest/ money order/postal order/cash;
- 14) Signature of sole and / or joint bidders missing;
- 15) Bid-cum-Application Form does not have the stamp of the BRLM or Syndicate Member;
- 16) Bids by QIBs not submitted through the BRLM;
- 17) Bid-cum-Application Form does not have Bidder's depository account details;
- 18) 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;
- 19) 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 the Red Herring Prospectus and the Bid-cum-Application Form;
- 20) Bids for amounts greater than the maximum permissible amounts prescribed by the regulations. For further details, please refer to the paragraph titled 'Issue Procedure - Maximum and Minimum Bid Size' beginning on page 182 of the Draft Red Herring Prospectus;

- 21) Bids by OCBs;

Basis of Allotment or Allocation

For Retail Individual Bidders

1. Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
2. The Issue less allotment to Non-Institutional and QIB Bidders shall be available for allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
3. If the aggregate demand in this category is less than or equal to 26,87,794 Equity Shares at or above the Issue Price, full allotment shall be made to the Retail Individual Bidders to the extent of their demand.
4. If the aggregate demand in this category is greater than 26,87,794 Equity Shares at or above the Issue Price, the allotment shall be made on a proportionate basis not more than 26,87,794 Equity Shares. For the method of proportionate basis of allotment, refer below.

For Non-Institutional Bidders

1. Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
2. The Issue Size less allotment to QIBs and Retail Portion shall be available for allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
3. If the aggregate demand in this category is less than or equal to 11,51,911 Equity Shares at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their demand.
4. In case the aggregate demand in this category is greater than 11,51,911 Equity Shares at or above the Issue Price, allotment shall be made on a proportionate basis not less than 11,51,911 Equity Shares. For the method of proportionate basis of allotment refer below.

For Qualified Institutional Bidders

1. Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allotment to all the QIB Bidders will be made at the Issue Price.
2. The QIB Portion shall be available for allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
3. Allotment shall be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:
- (i) In the event that Mutual Fund Bids exceeds 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 from 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 above the Issue Price.
 - (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for allotment to all QIB Bidders as set out in (b) below;
- (b) In the second instance allotment to all QIBs shall be determined as follows:
- In the event that the oversubscription 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.
 - 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.
 - 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.

The aggregate allotment available for allocation to QIB Bidders shall not be more than 38,39,705 Equity Shares.

Method of proportionate basis of allotment in the QIB, Retail and Non-Institutional portions

In the event of the Issue being over-subscribed, we shall finalise the basis of allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrar to the Issue shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner.

The allotment shall be made in marketable lots, on a proportionate basis as explained below:

- Bidders will be categorised according to the number of Equity Shares applied for;
- 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 the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- In all Bids where the proportionate allotment is less than [●] Equity Shares 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 (b) above.
- If the proportionate allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the marketable lot), the number in excess of the multiple of one would be rounded off to the higher multiple of one if that number is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower multiple of one. All Bidders in such categories would be allotted Equity Shares arrived at after such rounding off.

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 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 Bidders applying for minimum number of Equity Shares.

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 dematerialized form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, two agreements have been signed among us, the respective Depositories and the Registrar to the Issue:

- (b) a tripartite agreement dated [●] with NSDL, our Company and Registrar to the Issue;
- (c) a tripartite agreement dated [●] with CDSL, our Company and Registrar to the Issue.

All bidders can seek Allotment only in dematerialized mode. Bids from any investor without relevant details of his or her depository account are liable to be rejected.

- (a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the 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 will be directly sent to the Bidder by the Registrar to this Issue. Refunds will be made directly by the Registrar to the Issue as per the modes disclosed.
- (f) If incomplete or incorrect details are given under the heading 'Request for Equity Shares in electronic form' 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 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 the Company would be in dematerialized form only for all investors.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid-cum-Application Form number, number of Equity Shares applied for, date, bank and branch where the Bid was submitted and cheque, number and issuing bank thereof.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

“Any person who:

- (a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein; or
- (b) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years”.

Mode of making refunds

The payment of refund, if any, would be done through the following various modes:

- (a) **ECS** - Payment of refund would be done through ECS for applicants having an account at any of the following sixty eight centers:
 1. *Managed by the Reserve Bank of India:* Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram.
 2. *Managed by State Bank of India:* Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, Jodhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (non-MICR), Pondicherry, Hubli, Shimla (non-MICR), Tirupur, Burdwan(non-MICR), Durgapur (non-MICR) , Sholapur, Ranchi, Tirupati(non-MICR), Dhanbad(non-MICR), Nellore (non-MICR) and Kakinada (non-MICR)
 3. *Managed by Punjab National Bank:* Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur, Gorakhpur and Jammu
 4. *Managed by State Bank of Indore:* Indore
 5. *Managed by Union Bank of India:* Pune, Salem and Jamshedpur
 6. *Managed by Andhra Bank:* Visakhapatnam

7. *Managed by Corporation Bank: Mangalore*
8. *Managed by Bank of Baroda: Coimbatore and Rajkot*
9. *Managed by State Bank of Travancore: Kochi/Ernakulam*
10. *Managed by Central Bank of India: Bhopal*
11. *Managed by Canara Bank: Madurai*
12. *Managed by Oriental Bank of Commerce: Amritsar*
13. *Managed by United Bank of India: Haldia (non- MICR)*
14. *Managed by State Bank of Hyderabad: Vijaywada*
15. *Managed by State Bank of Bikaner and Jaipur: Bhilwara*

This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory through ECS for applicants having a bank account at any of the abovementioned 68 centers, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS. Refunds through ECS may also be done at other locations based on operational efficiency and in terms of demographic details obtained by Registrar from the depository participants.

- (b) **NEFT** - Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the IFSC, which can be linked to a MICR, if any, available to that particular bank branch. IFSC will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC 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 hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.
- (c) **Direct Credit** - Applicants having bank accounts with the Refund Banks shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Banks for the same would be borne by the Company.
- (d) **RTGS** - Applicants having a bank account at any of the above mentioned 68 centers and whose refund amount exceeds Rs. 10 lacs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Banks for the same would be borne by our Company. Charges, if any, levied by the applicants' bank receiving the credit would be borne by the applicant.
- (e) For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched 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 centers will be payable by the Bidders. Please note that only Bidders having a bank account at any of the 68 centers where the clearing houses for the ECS are managed by the RBI are eligible to receive refunds through the modes stated above. For all the other Bidders, including Bidders who have not updated their bank particulars, along with the nine-digit MICR code, the refund orders shall be dispatched Under Certificate of Posting for refund orders less than Rs. 1,500 and through speed post/registered post for refund orders exceeding Rs. 1,500.

Disposal of Applications and Application Moneys

Our Company shall give credit of Equity Share allotted to the beneficiary account with Depository Participants within 15 working days of the Bid Closing Date / Issue Closing Date. Applicants residing at 68 centers where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through ECS only (subject to availability of all information for crediting the refund through ECS) except where applicants are otherwise disclosed as eligible to get refunds through Direct Credit, NEFT or RTGS. In case of other applicants, our Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post, except for Bidders who have opted to receive refunds through the Direct Credit, NEFT, RTGS or ECS facility. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 working days of closure of Issue. Our Company shall ensure dispatch of refund orders, if any, by "Under Certificate of Posting" or registered post or speed post or Direct Credit, NEFT, RTGS or ECS, as applicable, only at the sole or First Bidder's sole risk within 15 days of the Bid Closing Date/Issue Closing Date, and adequate funds for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer. Our Company shall ensure dispatch of allotment advice, refund orders and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within 2 (two) working days of date of Allotment. Our Company shall use best efforts to ensure that all steps for 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, are taken within 7 (seven) working days after the finalisation of the basis of allotment. In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines we further undertake that:

- allotment of Equity Shares shall be made only in dematerialised form within 15 (fifteen) days of the Bid /Issue Closing Date;
- dispatch of refund orders, except for Bidders who have opted to receive refunds through the Direct Credit, NEFT, RTGS or ECS facility, within 15 (fifteen) working days of the Bid /Issue Closing Date would be ensured; and
- we shall pay interest at 15% (fifteen) 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 and/or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the guidelines issued by the Government of India, 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. In a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or ECS, and the refund instructions have not been given to the clearing system in the disclosed manner within 15 days from the Bid/Issue Closing Date, we shall pay interest at 15% per annum.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by us, as an Escrow Collection Bank and payable at par at places where Bids are received, except for Bidders who have opted to receive refunds through the Direct Credit, NEFT, RTGS or ECS facility. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders

Mode of Making Refunds

The permissible modes of making refunds are as follows:

1. In case of applicants residing in any of the centers specified by the Board – by crediting of refunds to the bank accounts of applicants through electronic transfer of funds by using ECS (Electronic Clearing Service), Direct Credit, RTGS (Real Time Gross Settlement) or NEFT (National Electronic Funds Transfer), as is for the time being permitted by the Reserve Bank of India;
2. In case of other applicants – by dispatch of refund orders by registered post, where the value is Rs. 1500 or more, or under certificate of posting in other cases, (subject however to postal rules); and
3. In case of any category of applicants specified by the Board – crediting of refunds to the applicants in any other electronic manner permissible under the banking laws for the time being in force which is permitted by the board from time to time.

We shall use best efforts to ensure that all steps for 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 are taken within seven working days of finalisation of the Basis of Allotment.

In accordance with the Companies Act, the requirements of the stock exchanges and SEBI Guidelines, the Company further undertakes that allotment/ transfer of Equity Shares shall be made only in dematerialized form within 15 days of the Bid/ Issue Closing Date.

Interest in case of delay in dispatch of allotment letters/making refunds

We agree that allotment of securities issued to the public shall be made not later than 15 days from the Bid/Issue Closing Date. We further agree that we shall pay interest at 15% per annum if the allotment letters/refunds orders have not been dispatched to the applicants or if in a case where refund or portion thereof is made in an electronic manner, the refund instructions have not been given to the clearing system in a disclosed manner within 15 days from the Bid/Issue Closing Date.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional 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.

Undertaking by the Company

We undertake as follows:

1. that the complaints received in respect of this Issue shall be attended to expeditiously and satisfactorily;
2. that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within seven working days of finalization of the Basis of Allotment;
3. that the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by us;
4. that except for the Pre-IPO Placement, 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 and under-subscription.
5. refunds shall be made as per the modes disclosed and allotment advice shall be dispatched to NRIs or FIIs or foreign venture capital investors registered with SEBI within the specified time.

Utilization of the Issue proceeds

The Board of Directors of our Company certifies that:

- (a) all monies received out of the Issue shall be transferred to a separate Bank Account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- (b) details of all monies utilized out of this Issue referred above shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such unutilized monies have been invested; and
- (c) Details of all unutilized 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 unutilized monies have been invested.

The Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

The details of all unutilized monies out of the funds received under the reservations shall be disclosed under a separate

head in the balance sheet of the Company indicating then form in which such unutilized monies have been invested.

Pre-Issue and Post Issue related problems

We have appointed Mr. Archit Sood, as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

Mr. Archit Sood

504, Trendset Towers,

Road 2, Banjara Hills,

Hyderabad – 500 034.

Tel: +91 40 6666 6250

Fax: +91 40 6666 7268

E-mail: investors@bsgroup.in

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy of the GoI, as notified through press notes and press releases issued from time to time, and FEMA and circulars and notifications issued thereunder. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the 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 and reporting requirements for making such investment. The government bodies responsible for granting foreign investment approvals are the Foreign Investment Promotion Board of the Government of India ("FIPB") and the RBI.

Currently, the Industrial Policy and FEMA stipulate that companies investing in a manufacturing unit such as BS TransComm Limited do not require the prior approval of the FIPB for investments by persons resident outside India and that 100% investment in the outstanding capital of the company may be made by persons resident outside India.

There is no necessity for non-resident Bidders to make separate applications seeking permission from the FIPB and RBI. However, it may be distinctly understood that there is no reservation for FIIs, NRIs or OCBs and in view of the SEBI Guidelines, the allotment and/or transfer of shares to FIIs, NRIs or OCBs would be made in the manner detailed in "Terms of the Issue" on page 168 of the Draft Red Herring Prospectus.

The allotment of Equity Shares to non-resident Bidders shall be subject to RBI approval or any requisite permission as may be necessary under the FEMA.

Investment by Non-Resident Indians

A variety of special facilities for making investments in India in shares of Indian companies is available to individuals of Indian nationality or origin residing outside India ("NRIs"). These facilities permit NRIs to make portfolio investments in shares and other securities of Indian companies on a basis not generally available to foreign investors. Under the portfolio investment scheme, NRIs are permitted to purchase and sell equity shares of a company through a registered broker on the stock exchanges. NRIs collectively should not own more than 10% of the post-offer paid up capital of the company. However, this limit may be increased to 24% if the shareholders of the company pass a special resolution to that effect. No single NRI may own more than 5% of the post-offer paid up capital of the company. NRI investment in foreign exchange is now fully repatriable whereas investments made in Indian Rupees through rupee accounts remain non-repatriable.

As per the RBI Exchange Control Department Circular No. ADP (DIR Series) 13 dated November 29, 2001, OCBs are not permitted to invest under the portfolio investment scheme in India. However, OCBs would continue to be eligible for making foreign direct investment under FEMA and the regulations thereunder as per notification no. FEMA 20/20000 RB dated May 3, 2000. Also, OCBs can sell their existing shareholdings through a registered broker on the stock exchanges.

Investment by Foreign Institutional Investors

Foreign Institutional Investors ("FIIs") including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated, institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain an initial registration from SEBI and a general permission from the RBI to engage in transactions regulated under FEMA. FIIs must also comply with the provisions of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. The initial registration and the RBI's general permission together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely securities issued by Indian companies, to realize capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards a sale or renunciation of rights issues of shares.

Ownership restrictions of FIIs

Under the portfolio investment scheme, the overall issue of shares to FIIs on a repatriation basis should not exceed 24% of post-issue paid-up capital of a company. However, the limit of 24% can be raised up to the permitted sectoral cap for

that company if the approval of the board of directors and the shareholders of the company is obtained. The offer of shares to a single FII should not exceed 10% of the post-issue paid-up capital of the company. In respect of an FII investing in shares of a company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of that company.

Under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended, or Takeover Code, upon the acquisition of more than 5.0% of the outstanding shares or voting rights of a listed public Indian company, a purchaser is required to notify the company of such acquisition, and the company and the purchaser are required to notify all the stock exchanges on which the shares of such company are listed. Upon the acquisition of 15.0% or more of such shares or voting rights or a change in control of the company, the purchaser is required to make an open offer to the other shareholders offering to purchase at least 20.0% of all the outstanding shares of the company at a minimum offer price as determined pursuant to the Takeover Code.

The above information is given for the benefit of the Bidders and neither the Company nor the BRLM are liable for any modifications that may be made after the date of the Draft Red Herring Prospectus.

SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI Guidelines, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that the each provision herein below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

Share Capital – Article 3

The authorized share capital of the Company is Rs. 30,00,00,000 (Rupees thirty crores only) divided into 3,00,00,000/- Equity Shares of Rs. 10/- (Rupees ten only) each. The Company may from time to time by ordinary resolution increase its authorised share capital by such sum and to be divided into Shares of such amount as may be specified in the resolution.

Increase of Capital – Article 4

The Company may in general meeting from time to time by ordinary resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at general meeting of the Company in conformity with Section 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 97 of the Act.

Preference Shares – Articles 6 and 7

Article 6

Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company, liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

Article 7

On the issue of redeemable preference shares under the provisions of Article 6 hereof, the following provisions shall take effect:

- a. No such Shares shall be redeemed except out of profits of the Company, which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption.
- b. No such Shares shall be redeemed unless they are fully paid.
- c. The premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's share premium account, before the Shares are redeemed.
- d. Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.
- e. Subject to the provisions of Section 80 of the Act. The redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit.

Reduction of Capital – Article 8

The Company may (subject to the provisions of section 78, 80 and 100 to 105, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce:

- a. the share capital;
- b. any capital redemption reserve account; or
- c. any share premium account;
- d. in any manner for the time being, authorised by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted. The amount payable on application on each share shall not be less than 5% the nominal of the shares.

The Company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own fully paid Shares whether or not they are redeemable and may make a payment out of capital in respect of such purchase.

Sub-division consolidation and cancellation of shares – Article 9

Subject to the provisions of Section 94 and other applicable provisions of the Act, the Company in General Meeting may, from time to time, sub-divide or consolidate its Shares, or any of them and the resolution whereby any Share is sub-divided may determine that, as between the holders of the Shares resulting from such sub-divisions, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other(s). Subject as aforesaid, the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so cancelled.

Modification of rights – Article 10

Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected, abrogated, dealt with or varied with the consent in writing of the holders of not less than three-fourth of the issued capital of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of Shares of that class, and all the provisions hereafter contained as to General Meeting shall mutatis mutandis apply to every such Meeting. This Article is not to derogate from any power the Company would have if this Article was omitted.

The rights conferred upon the holders of the Shares (including preference shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of Shares of that class, be deemed not to be modified, commuted, affected, dealt with or varied by the creation or issue of further Shares ranking *pari passu* therewith.

Further issue of capital – Article 12

1. Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further Shares whether out of unissued share capital or out of increased share capital then:
 - a. Such further shares shall be offered to the persons who at the date of the offer are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date;
 - b. Such offer shall be made by a notice specifying the number of Shares offered and limiting a time not being less than thirty days from the date of the offer and the offer, if not accepted, will be deemed to have been declined.
 - c. The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to them in favour of any other person, and the notice referred to in sub-clause (b) shall contain a statement of this right, PROVIDED THAT the Directors may decline, without assigning any reason, to allot any Shares to any person in whose favour any Member may renounce the Shares offered to him.
 - d. After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given declines to accept the Shares offered, the Board of Directors may dispose them off in such manner and to such person(s) as they may think in their sole discretion fit.

2. Notwithstanding anything contained in sub-clause (1) hereof, the further Shares aforesaid may be offered to any person(s) (whether or not those persons include the persons referred to in clause (a) sub-clause (1) hereof) in any manner whatsoever:
 - a. If a Special Resolution to that effect is passed by the Company in the General Meeting; or
 - b. Where no such Special Resolution is passed, if the votes cast (whether on a show of hands, or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting, (including the casting vote, if any, of the Chairman) by Members who, being entitled to do so, vote in person, or where proxies are allowed by proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.
3. Nothing in sub-clause (c) of clause (I) hereof shall be deemed;
To extend the time within which the offer should be accepted; or

To authorise any person to exercise the right of renunciation for a second time, on the ground that the persons in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation.
4. Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company:
 - (i) To convert such debentures or loans into Shares in the Company; or
 - (ii) to subscribe for Shares in the Company (whether such option is conferred in these Articles or otherwise)

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- a. either has been approved by the Central Government before the issue of the debentures or the raising of the loans, or is in conformity with the rules, if any, made by that government in this behalf, and
- b. in the case of debentures or loans other than debentures issued to, or loans obtained from government or any institution specified by the Central Government in this behalf, has also been approved by a Special Resolution passed by the Company in the General Meeting before the issue of the debentures or the raising of the loans.

Shares at the disposal of the Directors – Article 13

Subject to the provisions of the Act and these Articles, the Shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

Without prejudice to the generality of the powers of the Board under Article 13 or in any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force.

In addition to the powers of the Board under Article 13A(i), the Board may also allot the Shares referred to in Article 13A(i) to any trust, whose principal objects would *inter alia* include further transferring such Shares to the Company's

employees [including by way of options, as referred to in Article 13A(i)] in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit.

The Board, or any Committee thereof duly authorised for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 13A(i) and (ii) above.

Issue of Share Certificate - Article 24

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the directors shall comply with such rules or regulations or requirement of any stock exchange or the rules made under Securities contracts (Regulation) Act, 1956 or any other act or the rules applicable in this behalf.

The provisions of this act shall mutatis mutandis apply to the debentures of the Company.

Buy back of securities by the Company – Article 29

No funds of the Company shall except as provided by Section 77 of the Act, be employed in the purchase of its own Shares, unless the consequent reduction of capital is effected and sanction in pursuance of Sections 78, 80 and 100 to 105 of the Act and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Share in the Company in its holding Company.

Calls – Articles 35 to 42

Article 35

- (a) Subject to the provisions of Section 91 of the Act, the Board of Directors may from time to time by a resolution passed at a meeting of a Board (and not by a circular resolution) make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the Shares or by way of premium, held by them respectively and not by conditions of allotment thereof made payable at fixed time and each Member shall pay the amount of every call so made on him to person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine. No call shall be made payable within less than one month from the date fixed for the payment of the last preceding call.
- (b) The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

Article 36

Not less than one month notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.

Article 37

A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board of Directors and may be made payable by the Members of such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors.

Article 38

The Board of Directors may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time to call or any of the Members, the Board of Directors may deem fairly entitled to such extension but no Member shall be entitled to such extension as of right except as a matter of grace and favour.

Article 39

If by the terms of issue of any Share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the Share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.

Article 40

If the sum payable in respect of any call or installment is not paid on or before the day appointed for the payment thereof, the holder for the time being or allottee of the Share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rate not exceeding eighteen percent per annum as Directors shall fix from the day appointed for the payment thereof up to the time of actual payment but the Directors may waive payment of such interest wholly or in part.

Article 41

On the trial of hearing of any action or suit brought by the Company against any Member or his Legal Representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Member in respect of whose Shares the money is sought to be recovered is entered on the Register of Members as the holder or as one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the Shares in respect of which the money is sought to be recovered, that the resolution making the call is duly recorded in the minute book and the notice of such call was duly given to the Member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of Directors was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Article 42

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.

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.

The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.

Company's lien of the shares – Articles 43 and 44

Article 43

Neither the receipt by the Company of a portion of any money which shall, from time to time be due from any Member to the Company in respect of his Shares, either by way of principal or interest, or any indulgence granted by

the Company in respect of the payment of such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.

Article 44

The Company shall have first and paramount lien upon all Shares/ Debentures (other than fully paid up Shares/ Debentures) registered in the name of each Member whether solely or jointly with others and upon the proceeds of sale thereof, for all moneys (whether presently payable or not), called or payable at a fixed time in respect of such Shares/ Debentures and no equitable interests in any Share/ Debenture shall be created except upon the footing and condition that this Article is to have full legal effect. Any such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/ Debentures; PROVIDED THAT the Board of Directors may, at any time, declare any Share/ Debenture to be wholly or in part exempt from the provisions of this Article. Unless otherwise agreed the registration of a transfer of Shares/ Debentures shall operate as a waiver of the Company's lien if any, on such Shares.

Forfeiture of shares – Articles 46 and 47

Article 46

- (a) The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable, and
- (b) The residue if any, after adjusting costs and expenses if any incurred shall be paid to the person entitled to the Shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the Shares before the sale).

Article 47

If any Member fails to pay the whole or any part of any call or any installments of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

Transfer of Shares – Article 62

No Share which is partly paid-up or on which any sum of money is due shall in any circumstances be transferred to any minor, insolvent or person of unsound mind.

Instrument of Transfer – Article 63, 64 and 65

Article 63

The instrument of transfer shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

Article 64

- c. An application for registration of a transfer of the Shares in the Company may be either by the transferor or the transferee.
- d. Where the application is made by the transferor and relates to partly paid Shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice
- e. For the purposes of clause (b) above notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address, given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

Instrument of transfer shall be duly stamped – Article 65

The instrument of transfer of any Share shall be duly stamped and executed by or on behalf of both the transferor and the transferee and shall be witnessed. The transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Members in respect thereof. The requirements of provisions of Section 108 of the Companies Act, 1956 and any statutory modification thereof for the time being shall be duly complied with.

Share Warrants - Article 78

The Company may issue warrants subject to and in accordance with provisions of Sections 114 and 115 of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.

Conversion of shares into stock – Articles 82 to 85

Article 82

The Company may, by Ordinary Resolution:

- (a) Convert any fully paid up Share into stock, and
- (b) Reconvert any stock into fully paid-up Shares.

Article 83

The several holders of such stock may transfer there respective interest therein or any part thereof in the same manner and subject to the same regulations under which the stock arose might before the conversion, have been transferred, or as near thereto as circumstances admit.

PROVIDED THAT the Board may, from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the Shares from which stock arose.

Article 84

The holders of stock shall, according to the amount of stock held by them, have the same right, privileges and advantages as regards dividends, voting at meeting of the Company, and other matters, as if they held them Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred those privileges or advantages.

Article 85

Such of the regulations of the Company as are applicable to the paid up Shares shall apply to stock and the words "Share" and "Share holder" in these regulations shall include "stock" and "stock holder" respectively.

Borrowing Powers – Article 86

Subject to the provisions of Sections 58A, 292 and 370 of the Act and these Articles, the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any such sum or sums of money for the purposes of the Company from any source. PROVIDED THAT, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money

without the sanction of the Company in General Meeting. No debts incurred by the Company in excess of the limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.

Meeting of Members – Articles 90 and 91

Article 90

The statutory meeting shall be held in accordance with the provisions of Section 165 of the Act within a period of not less than one month and not more than six months from the date on which the Company shall be entitled to commence business.

Article 91

The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other Meeting in that year. All General Meetings other than Annual General Meetings shall be called Extra-ordinary General Meetings. An Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Register under the provisions of Section 166 (1) of the Act to extend the time with which any Annual General Meeting may be held. Every Annual General Meeting shall be called at a time during business hours, on a day that is not a public holiday, and shall be held at the office of the Company or at some other place within the city in which the Registered Office of the Company is situated as the Board may determine and the notices calling the Meeting shall specify as the Annual General Meeting. Then company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting. Every Member of the Company shall be entitled to attend, either in person or by proxy and the Auditors of the Company, shall have the right to attend and be heard at any General Meeting which he attends on any part of the business which concerns him as an Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Director's Report and audited statement of accounts, the Proxy Register with proxies and the Register of Director's Shareholding, which Registers shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the annual list of Members, summary of share capital, balance sheet and profit and loss account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.

General Meeting – Articles 101 and 102

Article 101

No General Meeting, Annual or Extra-Ordinary shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the Meeting.

Article 102

Five Members entitled to vote and present in person shall be quorum for General Meeting and no business shall be transacted at the General Meeting unless the quorum requisite be present at the commencement of the Meeting. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act. The President of India or the Governor of a State being a Member of the Company shall be deemed to be personally present if it is presented in accordance with Section 187 of the Act.

Votes of Members – Articles 116, 117 and 118

Article 116

A Member paying the whole or a part of the amount remaining unpaid on any Share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of moneys so paid by him until the same would but for such payment become presently payable.

Article 117

No Member shall exercise any voting rights in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

Article 118

Subject to the provisions of Article 116, every Member of the Company holding any equity share capital and otherwise entitled to vote shall, on a show of hands when present in person (or being a body corporate present by a representative duly authorised) have one vote and on a poll, when present in person (including a body corporate by a duly authorised representative), or by an agent duly authorised under a Power of Attorney or by proxy, his voting right shall be in proportion to his share of the paid-up equity share capital of the Company. Provided however, if any preference shareholder is present at any meeting of the Company, (save as provided in clause (b) of sub-section (2) of Section 87) he shall have a right to vote only on resolutions before the Meeting which directly affect the rights attached to his preference shares. A Member is not prohibited from exercising his voting rights on the ground that he has not held his Shares or interest in the Company for any specified period preceding the date on which the vote is taken.

Right to vote of member under the transmission clause – Article 122

Any person entitled under the Transmission Article to transfer any Shares may vote at any General Meeting in respect thereof in the same manner as if he was the registered holder of such Shares; provided that at least forty-eight hours before the time of holding the Meeting or adjourned Meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of the right to transfer such Shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.

Maximum and minimum directors – Article 134

Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than three and not more than twelve.

Nominee Directors – Article 135, 136 and 137

Article 135

Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to Industrial Finance Corporation of India (IFCI), ICICI Limited. (ICICI), The Industrial Development Bank of India (IDBI) or any other financing company or body out of any loans granted or to be granted by them to the Company or so long as IFCI, ICICI, IDBI or any other financing corporation or credit corporation or any other financing company or body (each of which IFCI, ICICI, IDBI or any other financing corporation or credit corporation or any other financing company or body is hereinafter in this Article referred to as "The Corporation") continue to hold Debentures in the Company by direct subscription or private placement, or so long as the Corporation holds Shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time any person or persons as a Director, whole time or non-whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director(s)") on the Board of the Company and to remove from such office any persons so appointed and to appoint any person or persons in his/ their places.

Article 136

Any Trust Deed for securing Debentures may if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of Debentures, of some person to be a Director of the Company and may empower such Trustees or holder of Debentures, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be agreed between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions contained herein.

Article 137

- a) The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s). Such Nominee Director(s) shall not be required to hold any Share qualification in the Company. Further Nominee Director shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Directors(s) shall be entitled to the same rights and privileges and be subject to the obligations as any other Director of the Company.
- b) The Nominee Director(s) so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation and the Nominee Director/s so appointed in exercise of the said power, shall *ipso facto* vacate such office immediately on the moneys owing by the Company to the Corporation being paid off
- c) The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and all the Meetings of the Committee of which the Nominee Director(s) is/are Member(s) as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.
- d) The sitting fees in relation to such Nominee Director(s) shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any other fees, commission, moneys or remuneration in any form is payable to the Nominee Director of the Company, such fees, commission, moneys and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director(s), in connection with their appointment or Directorship, shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s provided that if any such Nominee Director/s is/are an officer(s) of the Corporation.

Provided also that in the event of the Nominee Director(s) being appointed as Whole-time Director(s); such Nominee Director/s shall exercise such power and duties as may be approved by the lenders and have such rights as are usually exercised or available to a whole-time Director in the management of the affairs of Company. Such Nominee Director shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation(s) nominated by him.

Power to appoint an alternate director – Article 139

The Board may appoint, an Alternate Director recommended for such appointment by the Director (hereinafter in this Article called "the Original Director") to act for him during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. Every such Alternate Director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meetings of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such Meetings to have and exercise all the powers and duties and authorities of the Original Director. The Alternate Director appointed under this Article shall vacate office as and when the Original Director returns to the State in which the meetings of the Board are ordinarily held and if the term of office of the Original Director is determined before he returns to as aforesaid, any provisions in the Act or in these Articles for automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not the Alternate Director.

Qualification shares - Article 142

A Director need not hold any qualification shares.

Managing Directors - Article 166

Subject to the provisions of Section 267, 268, 269, 316 and 317 of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors or Whole-time Directors of the Company, for a fixed term not exceeding five years as to the period for which he is or they are to hold such office, and may, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

- (a) The Managing Director shall perform such functions and exercise such powers as are delegated to him by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 1956.

- (b) Subject to the provisions of Sections 255 of the Act, the Managing Director shall not be while he continues to hold that office, subject to retirement by rotation.

Proceedings of the Board – 178

The Directors may meet together as a Board for the dispatch of business from time to time, and unless the Central Government by virtue of the provisions of Section 285 of the Act allow otherwise, Directors shall so meet at least once in every three months and atleast four such Meetings shall be held in every year. The Directors may adjourn and otherwise regulate their Meetings as they think fit. The provisions of this Article shall not be deemed to have been contravened merely by reason of the fact that the meeting of the Board which had been called in compliance with the terms of this Article could not be held for want of a quorum.

Minutes of the Board Meetings - Article 187

1. The Company shall cause minutes of all proceedings of General Meeting and of all proceedings of every meeting of the Board of Directors or every Committee thereof within thirty days of the conclusion of every such meeting concerned by making entries thereof in books kept for that purpose with their pages consecutively numbered.
2. Each page of every such books shall be initialed or signed and the last page of the record of proceedings of each Meeting in such books shall be dated and signed:
 - a. in the case of minutes of proceedings of a meeting of Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
 - b. in the case of minutes of proceeding of the General Meeting, by the Chairman of the said meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period by a Director duly authorized by the Board for the purpose.

Common Seal - Article 191 (a)

The Board shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof.

Dividends – Articles 192, 193 and 194

Article 192

(a) Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of Share in the Company, dividends may be declared and paid according to the amounts of the Shares;

(b) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this Article as paid on the Shares.

Article 193

The Company in General Meeting may declare dividends, to be paid to Members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 207 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors. However, the Company may declare a smaller dividend than that recommended by the Board in General Meeting.

Article 194

No dividend shall be payable except out of profits of the Company arrived at the manner provided for in Section 205 of the Act.

Unclaimed Dividend – Article 206

Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Unpaid Dividend Account".

Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund known as Investor Education and Protection Fund established under section 205C of the Act.

No unclaimed or unpaid dividend shall be forfeited by the Board.

Capitalisation of Reserves – Article 209

1. The Company in General Meeting may, upon the recommendation of the Board, resolve:
 - a. That is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and
 - b. that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportion.
2. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3) either in or towards;
 - a. paying up any amount for the time being unpaid on any Shares held by such Members respectively, or
 - b. paying up in full unissued Shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst Members in the proportion aforesaid, or
 - c. partly in the way specified in sub clause (a) and partly in that specified in sub-clause(b)
3. A share premium account and capital redemption reserve account may, for the purpose of this Article, only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus shares.

Winding up – Article 225

If the Company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in the proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the Shares held by them respectively, and if in the winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the Shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

SECTION IX: 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 Registrar of Companies, Hyderabad 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. Letters of appointment dated April 24, 2008 from our Company appointing the Book Running Lead Manager.
2. Memorandum of Understanding between our Company and the Book Running Lead Manager dated September 26, 2008.
3. Memorandum of Understanding between our Company and the Registrar to the Issue dated June 9, 2008 and an addendum to the same dated September 27, 2008.
4. Escrow Agreement dated [●] between the Company, the Book Running Lead Manager, the Escrow Banks and the Registrar to the Issue.
5. Syndicate Agreement dated [●] between the Company, the Book Running Lead Manager and the Syndicate Members.
6. Underwriting Agreement dated [●] between the Company, the Book Running Lead Manager and the Syndicate Members.

Material Documents

- (i) Our Memorandum and Articles of Association, as amended from time to time.
- (ii) Our certificate of incorporation dated January 7, 2004.
- (iii) Board resolutions in relation to the Issue dated May 30, 2008.
- (iv) Shareholders' resolutions in relation to the Issue dated June 3, 2008.
- (v) Shareholders' resolutions of the general body for appointment executive Directors dated March 3, 2008
- (vi) Shareholders' resolutions of the general body for determination of the remuneration of our executive Directors dated June 3, 2008.
- (vii) The Scheme of Amalgamation sanctioned by the Hon'ble High Court of Judicature of Andhra Pradesh at Hyderabad on October 13, 2007 for the amalgamation of BS Integrated Steel Products Private Limited with our Company.
- (viii) Statements of Assets and Liabilities, Statement of Profits and Losses, as Restated and Cash Flows, as Restated, under Indian GAAP as at and for the years ended March 31, 2008, 2007, 2006 2005 and 2004 audited by M. Bhaskara Rao and Co., Chartered Accountants and their audit report on the same, dated September 22, 2008.
- (ix) Statement of Tax Benefits from, M. Bhaskara Rao and Co., Chartered Accountants dated September 22, 2008 – Auditor's Report on possible Income-tax benefits available to the Company and its shareholders.
- (x) Copies of annual reports of our Company for the years ended March 31, 2004 and 2005, 2006, 2007 and 2008.

- (xi) Consent of M. Bhaskara Rao and Co., Chartered Accountants, our Auditors for inclusion of their reports on restated financial statements and auditors report on audited financial statements in the form and context in which they appear in the Draft Red Herring Prospectus.
- (xii) Consent of M. Bhaskara Rao and Co., Chartered Accountants, our Auditors for inclusion of the Statement of Tax Benefits dated September 22, 2008 in the form and context in which they appear in the Draft Red Herring Prospectus.
- (xiii) General power of attorney executed by Dr. Subrata Kumar De and Mr. Narinder Sharma dated April 30, 2008 and May 22, 2008 respectively, in favour of Mr. Rajesh Agrawal for signing and making necessary changes to the Draft Red Herring Prospectus and other related documents.
- (xiv) Consents of Bankers to the Company, Book Running Lead Manager, Syndicate Members, Registrar to the Issue, Escrow Collection Bank(s), the IPO Grading Agency, Bankers to the Issue, the Statutory Auditors, Legal Counsel to the Issue, Directors of the Company, Company Secretary and Compliance Officer and Advisor to the Issue as referred to, in their respective capacities.
- (xv) Due diligence certificate dated September 26, 2008 to SEBI from the Book Running Lead Manager.
- (xvi) Listing Agreement dated [●] with the BSE.
- (xvii) Listing Agreement dated [●] with the NSE.
- (xviii) Initial listing applications dated [●] and [●] filed with BSE and NSE respectively.
- (xix) In-principle listing approval dated [●] and [●] from BSE and NSE respectively.
- (xx) Tripartite Agreement between NSDL, our Company and the Registrar to the Issue dated [●].
- (xxi) Tripartite Agreement between CDSL, our Company and the Registrar to the Issue dated [●].
- (xxii) SEBI interim observation letter [●] dated [●] and SEBI observation letter no. [●] dated [●].
- (xxiii) The IPO Grading Report by [●].

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 the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes

DECLARATION

All relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in 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 thereunder or guidelines issued, as the case may be. We further certify that all the statements in the Draft Red Herring Prospectus are true and correct.

Signed by the Directors of our Company

Name	Designation	Signature
Mr. Rajesh Agrawal	Managing Director	
Mr. Rakesh Agarwal	Joint Managing Director	
Mr. Mukesh Agarwal	Executive Director	
Brig. Arun Kumar Sharma	Executive Director	
Mr. Sanjay Baweja	Independent Director	
Mr. Narinder Sharma*	Independent Director	
Dr. Subrata Kumar De*	Independent Director	
Mr. Suneel Babu Gollapalli	Nominee Director (Nominee of IDBI Bank)	

* through their constituted attorney, Mr. Rajesh Agrawal

Signed by the Chief Executive Officer

Mr. Tarun Nanda

Signed by the Finance Controller

Mr. Vijay Bajaj

Date: September 27, 2008

Place: Hyderabad