



GEMINI ENGI-FAB LIMITED

(Company Registration No. 11-112909; CIN-U28920MH1998PLC112909)

Our Company was originally incorporated as 'Gemini Engi-Fab Private Limited' on January 12, 1998 under the Companies Act, 1956, which was later on converted into a Public Limited Company on January 09, 2007 and consequently the name of the Company was changed to 'Gemini Engi-Fab Limited' and a Fresh Certificate of Incorporation dated January 09, 2007 was issued by the Registrar of Companies, Maharashtra, Mumbai. For details of Change in the Name and Registered Office, please refer to 'History and Certain Corporate Matters, beginning on Page No. 127 of this Draft Prospectus.

Registered Office: 501, Palm Spring, Next D'Mart, Link Road, Malad (West), Mumbai- 400 064

Tel No. +91-022-2880 8822; **Fax No.** +91-022-2880 8998; **E-mail:** investor@geminief.com; **Website:** www.geminief.com

Contact Person: Ms. Pooja Karia (Company Secretary and Compliance Officer)

Promoters of the Company: Mr. Dalpatram Jethalal Panchal, Mrs. Sunita Dalpatram Panchal, Mr. Rakesh Dalpatram Panchal, Mr. Ashish Dalpatram Panchal and Mr. Hitesh Dalpatram Panchal, for detail of promoters please refer to Page No. 146 of this Draft Prospectus

THE ISSUE

PUBLIC ISSUE OF 90,00,000 EQUITY SHARES OF RS.10/- EACH ISSUED FOR CASH AT A PREMIUM OF RS. 55/- PER EQUITY SHARE I.E. AT A PRICE OF RS.65/- PER EQUITY SHARE AGGREGATING TO RS. 5850.00 LACS ("THE ISSUE" OR "THE NET ISSUE") BY GEMINI ENGI-FAB LIMITED ("THE COMPANY" OR "THE ISSUER"). THE FACE VALUE OF THE SHARE IS RS.10/- EACH AND THE ISSUE PRICE IS (SIX AND HALF) 6.5 TIMES OF THE FACE VALUE. THE ISSUE TO THE PUBLIC WILL CONSTITUTE 41.46% OF THE FULLY DILUTED POST-ISSUE EQUITY SHARE CAPITAL OF THE COMPANY. THE ISSUE IS BEING MADE IN TERMS OF REGULATION 26 (1) OF SEBI (ICDR) REGULATIONS, 2009.

RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of the equity shares of Gemini Engi-Fab Limited ("Our Company"), there has been no formal market for the Equity Shares of our Company. The face value of the equity shares of the Company is Rs. 10/- per share and the Issue Price is (six and half) 6.5 times of the face value of the Equity Shares of the Company. The Issue Price (as determined by the Company in consultation with the Lead Manager as stated herein 'Basis of Issue Price') should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and / or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and 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 this Draft Prospectus. Specific attention of the investors is invited to the section titled 'Risk Factors' beginning on Page No.08 of this Draft Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through this Draft 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 BSE and NSE for listing of Equity Shares of our Company have been received pursuant to letters dated [●] and [●] respectively. BSE shall be the Designated Stock Exchange for the purpose of this Issue.

GRADING

This Issue has been graded by CARE. CARE has assigned "IPO GRADE [●]" to the Initial Public Offering of our Company. For more information on IPO Grading, please refer to Page No. 45 of this Draft Prospectus.

LEAD MANAGER TO THE ISSUE



HEM SECURITIES LIMITED

14/15 Khatau Building,
40, Bank Street, Fort,
Mumbai- 400 001.

Tel: 022-2267 1543/44

Fax: 022-2262 5991

Web: www.hemonline.com

Email Id: rakeshb@hemonline.com

Contact Person: Mr. Rakesh Bhalla

SEBI Regn. No. INM000010981

REGISTRAR TO THE ISSUE



Karvy Computershare Private Limited

KARVY COMPUTERSHARE PRIVATE LIMITED

Plot No. 17-24, Vittal Rao Nagar,
Madhapur,
Hyderabad- 500 081

Tel: +91-40-23420815-28

Fax: +91-40-23431551

Web: http://www.karvy.com

Email Id: gemini.ipo@karvy.com

Contact Person: Mr. Murali Krishna

SEBI Regn. No. INR000000221

BID/ISSUE PROGRAMME

ISSUE OPENS ON

[●]

ISSUE CLOSES ON

[●]

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SECTION I - GENERAL

1.1 Definitions and Abbreviations

Definitions

Term	Description
“Gemini Engi-Fab Limited” or “Gemini” or “the Company” or “Our Company”	Gemini Engi-Fab Limited, a public limited company incorporated under the Companies Act, 1956 with its registered office at 501, Palm Spring, Link Road, Next to ‘D’Mart, Mumbai – 400 064, India
“We” or “us” or “our”	Unless the context otherwise require, refers to Gemini Engi-Fab Limited

1.2 Conventional/General Terms

Terms	Description
Articles/Articles of Association	Articles of Association of Gemini Engi -Fab Limited
Auditors	Dass Maulik Mahendra K Agrawala & Co; Chartered Accountants B-1/ 17 A, Vyapar Bhawan, P D’ Mello Road, Carnac Bunder, Mumbai- 400009 (Please refer to Page No. 218 of this Draft Prospectus for further details)
Board of Directors / Board	The Board of Directors of Gemini Engi-Fab Limited, including all duly authorized Committees thereof.
Companies Act	The Companies Act, 1956, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Director(s)	Director(s) of Gemini Engi-Fab Limited, unless otherwise specified
Equity Shares	Equity Shares of our Company of Face Value of Rs. 10 each, unless otherwise specified in the context thereof
ESOS/ESOP/ESPS	Employee Stock Option Scheme / Employee Stock Option Plan / Employee Stock Purchase Scheme
Factories Act	Factories Act, 1948, as amended from time to time
GIR Number	General Index Registry Number
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Gemini Engi-Fab Limited
Non Residents	A person resident outside India, as defined under FEMA.
NRIs/Non-Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
Negotiable Instruments Act	Negotiable Instruments Act, 1881, as amended from time to time



Terms	Description
Overseas Corporate Body / OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of atleast 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Core Promoters	Mr. Dalpatram J. Panchal, Mrs. Sunita D. Panchal, Mr. Rakesh D. Panchal, Mr. Ashish D. Panchal and Mr. Hitesh D. Panchal
Promoter Group (Entities)	M/S. Gemini Engineers & Fabricators, M/S. Expert Engineers and M/S. Gem Engineering Services (Partnership Firms) (No Equity Holding)
Promoter Group (Individuals)	Mrs. Aruna R. Panchal, Mrs. Heena A. Panchal and Mrs. Deena H. Panchal
RBI	Reserve Bank of India, constituted under the RBI Act
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
Registered and Corporate Office	501, Palm Spring, Link Road, Next to 'D' Mart, Malad (West), Mumbai-400 064, India
RoC	Registrar of Companies, Everest, 100, Marine Drive, Mumbai-400 002, Maharashtra, India
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009, as amended, including circulars, instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as amended from time to time
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Stock Exchanges	Bombay Stock Exchange Limited and The National Stock Exchange of India Limited

1.3 Issue Related Terms

Terms	Description
Allotment/Allocation	Issue of the Equity Shares pursuant to the Issue to the successful applicants
Allottee	The successful applicant to whom the Equity Shares are being / have been issued
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of the Company
Banker to the Company	The Bharat Co-operative Bank Ltd (Andheri (East), Mumbai)

Bankers to the Issue	[•]
BSE	Bombay Stock Exchange Limited
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Employees	Permanent Employees of Gemini Engi-Fab Limited as on October 1, 2010 including both staff and workmen employees.
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Applicant (excluding the ASBA Applicant) will issue cheques or drafts in respect of the Application Amount when submitting an Application
Escrow Agreement	Agreement entered into amongst the Company, the Escrow Collection Bank(s) and the LM for collection of the Application Amounts and for remitting refunds (if any) of the amounts collected to the Applicants (excluding the ASBA Applicants) on the terms and condition thereof
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Bankers to the Issue at which bank(s) the Escrow Account of the Company will be opened
IPO	Initial Public Offering
Issue / Issue Size	The public issue of an aggregate of 90,00,000 Equity Shares
Issue Price	The Final Price at which the Equity Shares are being issued by our Company under this Draft Prospectus, in this case being Rs.65/- per Equity Share.
LM/Lead Manager	Lead Manager to the Issue, in this case being Hem Securities Limited.
Prospectus	The Prospectus, filed with the ROC containing, inter alia, the issue price, the size of the issue and other information
NSE	National Stock Exchange of India Limited.
Public Issue / Issue / Initial Public Offering / IPO	Public Issue of 90,00,000 equity shares of Rs.10/- each for cash at a premium of Rs. 55/- per equity share (Price of Rs. 65/- per equity share) aggregating to Rs. 5850.00 Lakhs (the Issue) by Gemini Engi-Fab Limited ('Our Company' or 'Issuer'). The face value of the share is Rs.10/- each and the issue price is 65/- (6.5 times of the face value).
Qualified Institutional Buyers / QIBs	Public Financial Institutions as specified in Section 4A of the Companies Act, Scheduled Commercial Banks, Mutual Funds, Foreign Institutional Investors registered with SEBI, Multilateral and Bilateral Development Financial Institutions, Venture Capital funds registered with SEBI, State Industrial Development Corporations, Insurance Companies registered with the Insurance Regulatory and Development Authority (IRDA), Provident Funds with a minimum corpus of Rs. 25 crores and Pension Funds with a minimum corpus of Rs. 25 crores
Refund Account	Account opened with an Escrow Collection Bank from which the refunds of the whole or part of the Application Amount (excluding to the ASBA Applicants), if any, shall be made.
Refund Bank	[•]
Refunds through electronic	Refunds through electronic transfer of funds means refunds through ECS, Direct



GEMINI ENGI-FAB LIMITED

transfer of funds	Credit or RTGS or NEFT or the ASBA process, as applicable
Registrar/ Registrar to the Issue	Registrar to the Issue being Karvy Computershare Private Limited
Regulations	SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs.1,00,000
SCSB	Self Certified Syndicate Bank
"Gemini" or our company or "Gemini Engi-Fab Limited" or "GEFL"	Gemini Engi-Fab Limited, a public limited Company incorporated under the Companies Act, 1956 having its registered office at 501, Palm Spring, Link Road, Next to 'D' Mart, Mumbai – 400 064, India
We or "us" or Our Company	Refers to Gemini Engi-Fab Limited.

1.4 Technical and Industry Related Terms

Terms	Description
ASME	American Society of Mechanical Engineers
BIFR	Board for Industrial and Financial Reconstruction
BS	British Standard
CS	Carbon Steel
CNC	Computerized Numerical Control
DG	Diesel Generator
Exotic Materials	Titanium, Copper, Nickel, Inconel, Monel
GTAW	Gas Tungsten Arc Welding
HT	High Tension
IS	Indian Standard
LT	Low Tension
MIG	Metal Inert Gas
MIS	Management Information System
Mm	Millimeter
Order Book	Value of (i) projects awarded to us for which we have entered into signed agreements or received letters of award or letters of intent or work orders but have not commenced work and (ii) the uncompleted part of the projects for which we have commenced work.
PQR	Procedure Qualification Record
QAP	Quality Assurance Plan
RCC	Reinforcement Cement Concrete
Rmt	Running Meter
Sq. ft.	Square Feet
Sq. mtrs.	Square Meters
SSI	Small Scale Industry
SS	Stainless Steel
TIG	Tungsten Inert Gas

Terms	Description
WPS	Welding Process Specifications
WPQ	Welding Process Specifications

1.5 Abbreviations

Abbreviation	Full Form
A/c	Account
AoA	Articles of Association
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CARE	Credit Analysis and Research Limited
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CEPS	Cash Earnings Per Share
CIN	Company Identification Number
CIT	Commissioner of Income Tax
Crore	10 million (or) 100 lakhs
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Draft Prospectus
ECS	Electronic Clearing System
EPS	Earnings Per Share
EGM	Extraordinary General Meeting
EXIM/ EXIM Policy	Export – Import Policy, Ministry of Commerce, Government of India. Regulated by Foreign Trade Development and Regulation Act, 1992.
FCNR Account	Foreign Currency Non Resident Account
FIPB	Foreign Investment Promotion Board, Department of Economic Affairs, Ministry of Finance, Government of India
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FII	Foreign Institutional Investors (as defined under FEMA (Transfer or Offer of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
Gol/Government	Government of India
GDP	Gross Domestic Product
GIDC / G.I.D.C.	Gujarat Industrial Development Corporation
HUF	Hindu Undivided Family



Abbreviation	Full Form
I.T. Act	Income Tax Act, 1961, as amended from time to time
I.T. Rules	The Income Tax Rules, 1962, as amended from time to time
MAPIN	Market Participants and Investors' Integrated Database
MIDC	Maharashtra Industrial Development Corporation
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
NA / N.A.	Not Applicable
NAV	Net Asset Value
NPV	Net Present Value
NRIs	Non Resident Indians
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OBC	Oriental Bank of Commerce
OCB	Overseas Corporate Bodies
p.a.	Per Annum
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
P/E Ratio	Price/Earnings Ratio
PR	Public Relations
RBI	The Reserve Bank of India
ROE	Return on Equity
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
Rs.	Rupees, the official currency of the Republic of India
SBI	State Bank of India
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
STT	Securities Transaction Tax
Sec.	Section
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
u/s	Under Section
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
w.e.f	With effect from
VAT	Value Added Tax

SECTION II: RISK FACTORS

2.1 CERTAIN CONVENTIONS; USE OF MARKET DATA

Unless stated otherwise, the financial data in the Draft Prospectus is derived from our financial statements prepared and restated in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2009 included on Page No. 153 of this Draft Prospectus. We have no subsidiaries. Accordingly, financial information relating to us is presented on a non-consolidated basis. Our fiscal year commences on April 1 of every year and ends on March 31st of every next year. In this Draft Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding-off.

In this Draft Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word "Lakhs" means "one hundred thousand" and the word "Million" means "Ten Lakhs" and the word "Crore" means "Ten Million".

Throughout this Draft Prospectus, all figures have been expressed in Lakhs. Unless otherwise stated, all references to India contained in this Draft Prospectus are to the Republic of India. Unless stated otherwise, industry data used throughout this Draft Prospectus has been obtained from industry publications, internal company reports, newspaper and magazine articles etc.

Such publications generally state that content 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 that the industry data used in this Draft Prospectus is reliable, it has not been verified by any independent source.

For additional definitions, please refer to "Definitions and Abbreviations" on Page No. 02 of this Draft Prospectus. In the Section titled 'Main Provisions of the Articles of Association' on Page No. 258 of this Draft Prospectus, defined terms have the meaning given to such terms in the Articles of Association of our Company.

2.2 FORWARD-LOOKING STATEMENTS

Statements included in this Draft Prospectus which contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expression or variations of such expressions, that are "forward-looking statements".

All forward looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others: -

- General economic and business conditions in India and other countries.
- Regulatory changes relating to the fabrication industry in India 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 that have an impact on our business activities or investments.
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.
- Changes in the value of the Rupee and other currencies.
- The occurrence of natural disasters or calamities.
- Change in political condition in India.

For further discussion of factors that could cause our actual results to differ, see the Section titled "Risk Factors" beginning on Page No. 10 of this Draft Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company, and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading Permission by the Stock Exchanges for the Equity Shares allotted pursuant to this Issue.

2.3 RISK FACTORS

An investment in equity involves a high degree of risk. Investors should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in our equity shares. Any of the following risks as well as other risks and uncertainties discussed in this Draft Prospectus could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or part of your investment. In addition, the risks set out in this Draft Prospectus may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. 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 risks mentioned herein.

Materiality

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

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

Note:

The risk factors as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.

In this Draft Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in "Risk Factors", "Management Discussion and Analysis of Financial Conditions and Operations" as mentioned on Page No. 181 in this Draft Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the "Financial Statements" prepared in accordance with the Indian Accounting Standards.

INTERNAL RISK FACTORS

1. ***Our Company has undisputed amounts payable in respects of Income tax which have remain outstanding as at September 30, 2010, for the period of more than six (6) months from the date they became payable.***

As on September 30, 2010 there are undisputed statutory dues aggregating to Rs. 163.65 lakhs on account of Income Tax, which are yet to be paid by the Company. Our cash flows would be adversely affected to the extent amount of such payment made by our Company. Further, Our Company may be liable to pay such penalties and interest as the authorities may decides under the provisions of the Income Tax Act, 1961.



2. ***Our Company is yet to place orders for the Plant & Machinery worth Rs 2818.94 Lakhs constituting 100% of the total plant and machinery. Our Company has also not arranged for any hedging facility to cover the risk arising out of foreign exchange fluctuations for the plant and machinery proposed to be imported for Rs. 567.83 lakhs which constitutes 20.14% of the total plant and machinery.***

Our Company is yet to place orders for the entire plant and machinery and other equipments and accessories. The total cost of all these comes to 2818.94 Lakhs which is 45.50 % of the total cost of the Project, of which Rs.567.83 Lakhs worth of machinery is to be imported constituting 9.16% of total project cost. We are subject to the risks on account of inflation in the price of machinery and other equipment that we require for the project. Further, in respect of the machinery / equipment / other project related services that we propose to import / procure from overseas; we may be subject to the risks arising out of currency rate fluctuations. Since no orders have been placed as on date, our Company has not arranged for any hedging facility to cover the risk arising out of foreign exchange fluctuations in relation to the aforesaid imports. These factors may increase the overall cost of our project and have an adverse effect on our business and results of operations.

3. ***During the Financial Year 2009-10, our Company has given loan to two of its Directors in contravention of the provisions of section 295 of the Companies Act, 1956.***

During the year 2009-10, the Company has given loan to two of its Directors in contravention of the provisions of section 295 of the Companies Act, 1956. The aggregate amount of loan given was Rs. 27.08 lakhs, of which Rs. 15 lakhs loan was given to Mr. Rakesh D. Panchal, Managing Director and Rs. 12.08 lakhs was given to Mr. Hitesh D. Panchal, Whole Time Director. As on the date of filing this draft prospectus, both the loans are outstanding. Accordingly, our Company and both of said Directors may be liable for violating the provisions of the said section of the Companies Act 1956. Moreover, if either or both the Directors fail to repay the loans, then to that extent, it could adversely affect cash flows of our Company and also our operations directly or indirectly.

4. ***Our Company has been maintaining inventory records as per excise rules and the management physically verified major items of inventories during financial year ended March 31, 2010 and discrepancies noticed on verification were appropriately dealt with. During the 6 months period ended September 30, 2010, the management physically verified all major items of inventories and no material discrepancies were noticed. However, there are no supporting records to substantiate these inventory records to vouch the accuracy and value of closing stocks.***

In the absence of supporting documents, our Company is unable to substantiate accounting records of inventories maintained by the management. Further, there is no system for quantitative reconciliation of such inventories and therefore Our Company is unable to authenticate the accuracy of the quantity and value of closing stock for the financial year ended March 31, 2010 and 6 months period ended September 30, 2010. Since the consequential impact whereof is not presently ascertainable, any major variation found later on due to non reconciliation may hamper operations and revenues of the company.

- 5. *We have not undertaken capital expenditure of similar size and nature as entailed in objects of issue and our inability to manage capital expenditure may adversely affect our operations.***

We are embarking upon a major expansion to meet the growing demand of domestic buyers in the engineering fabrication sector. We are incurring capital expenditure of Rs. 6195.67 lakhs as detailed in the Section titled 'Objects of the Issue' starting on Page No. 59 of this Draft Prospectus, for enhancement and upgradation of existing capacities. In past, we have not undertaken capital expenditure of such size and our inability to manage capital expenditure may adversely affect our operations. We cannot assure that we will be able to get the benefits of the generally growing demand and accordingly the benefits accruing to us from the planned capacity expansion project may be less than what is anticipated.

- 6. *Our Company has failed to serve the interest and principal amount in respect of term loans and interest of cash credit for the months of August 31, 2010 and September 30, 2010.***

Our Company has taken various facilities from our banker for the purpose of our business. Although, we are generally regular in paying the interest and principal amount in respect of the loans taken from the banks. However, we have failed to pay the interest and principal amount in respect of the term loan and interest of cash credit for the months August 31, 2010 and September 30, 2010. The Company may be liable for additional interest for delayed payment and health code given to the Company by our bankers may be reviewed.

- 7. *Our Company's timely and cost effective execution of orders is dependent on the adequate and timely supply of raw materials. We have not entered into any long term supply contracts and we cannot assure you that we would be able to procure adequate supplies of raw materials as and when we need them on commercially accepted terms.***

Adequate supplies of raw materials on competitive and commercially viable terms at right time are key to our timely and cost execution of orders. Since our company has not entered any long term raw material supply contracts, we cannot assure you that we would be able to procure adequate supplies of key materials in the future, as and when we need them on competitive terms. Further, transportation strikes by many transporters and regulatory restrictions placed on transportation providers which they had in the past, and could have in the future, an adverse effect on receipt of raw material supplies. If we are unable to procure the requisite quantities of materials as required, our business, results of operations and revenues may be adversely affected

- 8. *Our Company is yet obtain certain approvals for our proposed project and may be unable to obtained or renew required approvals in a timely manner and existing approval may be revoked.***

For successful execution of our existing and our proposed projects we are required to obtain statutory and regulatory approvals, licenses, registrations, and applications need to be made at appropriate stages of the proposed projects. These may include approvals of building plans, layout plans, environmental consents and fire safety clearance during various stages of the project. We may have to obtain certificate of change of land use in respect of our agricultural and industrial land. If we fail to obtain or renew, or experience material delays in obtaining or renewing the requisite the governmental approvals or if any approvals are suspended or revoked, our business, prospects, financial conditions and results of operation may be adversely affected.



- 9. Our Company, during the financial year ended 2009-10 had accepted public deposits in contravention of the provisions of the Companies Act 1956, as amended and the contravention continues.**

During the financial year 2009-10, the company accepted public deposits to the tune of Rs. 100 lakhs in contravention of Section 58A and 58AA of the Companies Act, 1956 as amended and Companies (Acceptance of Deposit) Rules 1975 and the contravention continues. Our Company and all Officers in Default may be liable for the pecuniary and other punishments for such violations under the provisions of said sections and regulations which may adversely affect operations of the company directly or indirectly.

- 10. During Financial Year 2008-09, our Company had incurred of Rs 91.13 Lakhs towards IPO expenses which was shelved, were not charged in the books of accounts as per AS- 26 of the ICAI.**

Our Company had incurred IPO expenses of Rs. 91. 13 Lakhs during Financial Year 2008-09, which was shelved but the same were not charged in the books of accounts of the financial year ended March 31, 2009 as per AS- 26. This has resulted into overstatement of the balance of Reserves and Surplus and Miscellaneous Expenditure by Rs. 91.13 Lakhs each for the said financial year.

- 11. Our Company is in the process of filing/revising its various statutory returns such as VAT returns, TDS returns etc. for the financial year ended March 31, 2010 and the 6 months period ended September 30, 2010. Further, the Company has to deposit an amount of Rs 22.40 Lakhs on account of excise duty in respect of removal of goods during months of August and September 2010.**

Our Company is in the process of filing/revising its various statutory returns such as VAT returns, TDS returns etc for the year for the Financial Year ended March 31, 2010 and 6 months period ended September 30, 2010. Pending the finalization of these returns, the necessary impact on the accounts for the year/period mentioned above is not presently ascertainable. Since the impact if any, will be given in the subsequent years, it may hamper financial conditions of the said respective years. Further, our Company has to deposit Rs 22.40 Lakhs on account of excise duty against the goods removed during months of August and September, 2010 which would adversely affect cash flows/ operations of the Company.

- 12. Our Company does not have an Internal Audit System in place commensurate with the size of the Company and nature of its business.**

There is no Internal Audit System in place in our Company which is necessary keeping in view of the magnitude and nature of business of the company. In the absence of such internal audit systems, it is not possible to critically review the company's financial and other operational reporting process and proper disclosure of the related information in this regard. Under such scenario, it may not be possible to ensure that the financial and other operating statements are correct, sufficient and credible. Accordingly to that extent there may be loss of revenue on account of lack of checks, reconciliations and control systems.

- 13. Our Company in the past has entered into Related Party Transactions and it may continue to do so in future also.**

Our Company has entered into certain transactions with our Promoters Directors and Promoters Group Firms in the past. For detailed information on our related party transactions, please refer to Annexure XIV on Related Party Transactions of the Auditor's Report under Section titled "Financial Information of the Company" beginning on Page No. 153 of this Draft Prospectus.

While we believe that all our related party transactions have been conducted on, and have commercial terms consistent with, an arm's length basis, there can be no assurance that we could not have achieved more favorable terms and had such transactions been entered into with unrelated parties. Furthermore, it is likely that we may enter into related party transactions in future too. There can be no assurance that such transactions, individually or in the aggregate, would not have an adverse effect on our business, financial condition and results of operations.

14. Our Company, as at March 31, 2010 has following contingent liabilities which have not been provided for in the books of accounts.

Our Company has following contingent liabilities as at March 31, 2010 have not been provided for in the books of accounts.

(Rs. In Lakhs)

Sr. No.	Contingent Liabilities	As at March 31, 2010
1.	Bank Guarantees to Customers	333.30
2.	Disputed Statutory Dues	91.93
3.	Set-off of Sales Tax	2.15
4.	Income Tax & Sales Tax Liabilities	Not Ascertainable
	TOTAL	427.38

In case, if any or all of above stated contingent liabilities get crystallized and are required to be settled, it could adversely affect financials and operations of our company.

15. Our Company, during the financial year ended March 31, 2010 and for 6 months period ended September 30, 2010 has balances of loans, creditors, debtors and advances which are subject to confirmation. Thus, if any or all of such balances could not be confirmed or would be confirmed for lesser amounts, then to that extent, may adversely affect financials of the Company.

Our Company's balances of loans, creditors, debtors and advances for the financial year ended March 31, 2010 and for 6 months period ended September 30, 2010 are subject to confirmation. Thus, if any or all of such balances could not be confirmed or are confirmed for lesser amounts, then to that extent may adversely affect financials of the company.

16. All the assets have not been physically verified by the management during the year, though there is regular program of verification. Fixed assets include a Motor Car which was purchased by the Company during the financial year 2009-10, though it is registered in the name of its Managing Director, Mr. Rakesh D. Panchal.

All the assets have not been physically verified by the management during the year, though there is regular program of verification. Fixed assets include a Motor Car which was purchased by the Company during the financial year 2009-10 amounting to Rs.37.98 Lacs, though it is registered in the name of its Managing Director, Mr. Rakesh D. Panchal. Our Company may not get the benefits of depreciation for the said motor car at the time of income tax assessment as it is not registered in the name of company and to that extent may affect profitability and cash flows of the company.



17. Our Company has not followed Accounting Standard - 15 regarding Employee Benefits prescribed by The Institute of Chartered Accountants of India (I.C.A.I)

As per the Audited Financial Statements for the year ended March 31, 2010 under Notes to Accounts, we account for liabilities in respect of gratuity and leave encashment on Payment basis which is not in conformity with AS -15 regarding Employee Benefits prescribed by the ICAI. This Accounting Standard stipulates that these liabilities should be accounted for in the books of accounts on accrual basis.

18. Our Company has not disclosed relevant information in the Financial Statements for the financial year ended March 31, 2010 and for 6 months period ended September 30, 2010 as required under provisions of Micro, Small & Medium Enterprise Development Act 2002.

Our Company, in the absence of relevant information pertaining to Micro, Small and Medium Enterprises failed to disclosed information in the Financial Statements for the financial year ended March 31, 2010 and 6 months period ended September 30, 2010 as required under provisions of Micro, Small & Medium Enterprises Development Act, 2002 . Our Company and every officer in default may be held liable for not complying with the provisions of the said Act.

19. Our Company was not having a full time Company Secretary.

Our Company was not having a full time Company Secretary during the given period of April 1, 2009 to August 12, 2010. The same is in violation of Section 383 A.

20. Our Company has not created gratuity fund as required under Sec. 4A of the Payment of Gratuity Act, 1972.

Our company has not complied with the compulsory requirement of creation of fund/obtaining of Insurance as required under Section 4-A of the Payment of Gratuity Act, 1972. However the company is considering the option of complying with the same in the near future.

21. Our Company has not been regular in making of ESIC payments to its employees.

Our company has not made any ESIC payments for the year 2006- 2007. Even as on date the company is extending the ESIC benefit to 10 employees out of a total strength of 27

22. Our Company has utilized funds credited to share premium account in excess of the amount mentioned in resolution passed by the board of directors.

Our company in the year 2007 decided to go for a bonus issue in the ratio of 3:2, for which it had passed a resolution authorizing the board to utilize a sum of Rs. 4260750/- towards the said cause from the share premium account, although the company has utilized all the amount available in the share premium account without passing a proper resolution and has till date not rectified the same.

23. Our Company in the year 2007 failed to comply with the requirement of Section 205 of the Companies Act, 1956.

Our Company had paid dividend in the year 2007. The dividend monies were directly paid to the shareholders/members out of the company accounts and no separate bank account was opened for the same. The same is in non-compliance of Section 205 of the Companies' Act, 1956.

24. Our Company is involved in certain legal proceedings

We are involved in legal proceedings and claims in India. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Should any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and our liabilities. We cannot assure you that these legal proceedings will be decided in our favour. Any adverse decision may have a significant adverse effect on our business and results of operations.

Our outstanding legal proceeding and the amounts claimed in these proceedings have been disclosed to the extent ascertainable below:

(Rs. In million, unless stated otherwise)

Nature of Proceeding	Number of Cases	Amount (Rs.)
Civil Cases	1	Not ascertainable
Excise Cases	2	23,01,597*

*Amount does not include any penalty and interest which is not ascertainable and may be imposed upon our Company.

Also we have from time to time initiated legal proceedings relating to our business and operations, for further details of outstanding litigation against us, please see "Outstanding Litigation and Material Developments" on Page No. 196 of this Draft Prospectus.

25. We are subject to restrictive loan covenants of Banks in respect of term loans / working capital facilities availed from them.

Our Company has entered into agreements for term loans and financial facilities with our banker and the covenants in such agreements require us to obtain bank's permission in writing in respect of effecting any change in the Company's Capital Structure; change in unsecured loan, change in trading cycle, implementation of any scheme of expansion/ modification/ diversification/ renovation, entering into any borrowing arrangement with other banks, undertake guarantee, undertake obligations on behalf of any other Company, declare dividends except for the any year approved by the bank, pay guarantee commission to the guarantors whose guarantees have been stipulated, create an further charge/ lien/ encumbrance over assets & properties charged to the bank and sell/ assign or otherwise dispose off the fixed assets charged to the bank. These covenants may have an adverse effect on the functioning of our Company.

Furthermore, our Company has created a charge in favor of our lender against the fixed assets of our Company. In case of default by our Company in repayment of the loans, our Banker may exercise their rights over the security, which may be detrimental to the interest of our Company. For details of restrictive covenants, please refer to paragraph Annexure XV of the Auditor's report appearing on Page No. 177 of this Draft Prospectus under Section titled "Financial Information of the Company".

- 26. *Our Company may face any unexpected increase in price of inputs like price of labour, raw materials, fuel or other inputs which we are unable to pass on our clients, may have an adverse effect on our results of operations and financial condition.***

Any increase in inputs cost viz raw material, labour, fuel and other material constitutes a significant part of our operating expenses cost which is approximately 81.95 % of our total expenditure. Our ability to pass on unanticipated increase in the prices of these inputs to our clients may be limited which may, to that extent, adversely affect our operations and revenues.

- 27. *Our Promoters will continue to retain majority control in the Company after the issue, which would enable them to influence the outcome of matters submitted to shareholders for approval.***

Our Promoters would beneficially own 58.31% of our company's post equity share capital. Consequently, the Promoters will have the ability to control our business including matters relating to any sale of all or substantially all our company's assets, capitalization of reserves, distribution of dividend, appointment of directors and key managerial personnel and many other important decisions. This control could delay, defer or prevent a change in control of the company, impede a merger, consolidation, takeover or discouraging a potential acquirer attempting to obtain control of the company despite of the fact that the attempt would have been in the best interests of the company. Further, till the promoters are in the position to exercise significant control over the company, they may influence major policies of the company in such a way that it could conflict with the interests of other minority shareholders.

- 28. *Deployment of funds out of net proceeds of the issue is entirely at our discretion and is not subject to any monitoring by an independent agency.***

We intend to use the net proceeds of the issue for the objects as described in the section entitled "Objects of the Issue" on Page No.59 of this Draft Prospectus. The purposes for which the net proceeds of the issue are to be utilized have not been appraised by any independent entity and are based on our estimates and on third party quotations. In addition, our capital expenditure plans and working capital estimates are subject to a number of variables, including possible cost overruns and changes in management's views of the desirability of current plans and many other factors.

Pending utilization of proceeds out of issue for the purposes described in the Draft Prospectus, we intend to temporarily invest the funds in high quality interest bearing liquid instruments including deposits with banks, investment in mutual funds etc as the Board of Directors may deem fit and proper.

Further, as the issue size is less than Rs 500 Crores, there is no requirement for appointment of a monitoring agency. An Audit Committee of the Board shall monitor the utilization of the net proceeds of the issue which shall not be subject to any monitoring by any independent agency.

- 29. *Our Company is unable to determine whether there are dues payable to any small sector undertaking.***

Keeping in view of the large number of creditors of the company, the information whether the creditors are Small Scale and Ancillary Industrial Undertaking as defined by the "The Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertakings Act, 1992 is not ascertainable by the Company.

30. *Our Company is yet to apply for additional Working Capital financing for our proposed expansion plan from Bank(s).*

We would require additional amount of working capital for our proposed expansion plans and our company is yet to apply for additional limits to the existing bankers / new bankers. Details of the working capital facilities presently availed by us, please see details on Page No 177 of this Draft Prospectus.

Further, due to various factors, such as changes in interest rate or borrowing / lending restrictions, we may not be able to finance our working capital needs when needed on acceptable commercial terms or at all. Any such scenario would adversely affect our business, revenues and financial condition.

31. *Our Company's inability to attract, recruit and retain skilled and efficient personnel could adversely affect our business and results of operations.*

The successful implementation of our growth plans and our ability to meet future business challenges depend on our capabilities to attract, recruit, train and retain talented and skilled manpower. Our company is significantly dependent on our key managerial personnel, members of senior management and skilled project managerial team members. Our company faces stiff competition to recruit and retain skilled and professionally qualified staff. Because of limited pool of available skilled personnel, competition for skilled engineers and senior management is very intense. We could face difficulties in attracting, recruiting and retaining required number of managers and engineers for our business needs. Our future growth and performance would depend upon their continued services to our company. Loss of any of the members of above teams and our inability to check and control attrition levels of all categories as stated above may materially and adversely affect our business, operations and revenues.

32. *Our Company may face strong competition from new entrants in the industry and if we fail to keep pace with technical and technological developments and compete effectively, it may have adverse effect on our business, operations and profitability.*

We so far have been competing with a few of competitors that too not exactly in the similar lines of activities Undertaken by our company. However, with large potential and further scope of new players entering into the industry, we may have to face strong competition. If we fail to keep pace with technical and technological developments in our industry, we may not face competition. To meet our clients' needs, we must regularly update existing technology. Rapid and frequently technology and market demand changes often render existing technologies and equipments obsolete. There can be no assurance that we would continue to effectively compete with our existing competitors / new competitors in future. Our failure to compete effectively may have an adverse effect on our business, operations and revenues.

33. *Our business is concentrated in state of Gujarat.*

Our business is concentrated in the state of Gujarat. Should there be any regional slowdown or political instability, then our business, operation and revenues may be adversely affected.

34. *Our Promoters and promoter group concerns are engaged in business activities similar to ours.*

Our promoters and promoter group concerns are engaged in business activities similar to those undertaken by us and this could be a potential source of conflict of interest. There are no non compete agreements in place between us and our promoters and promoter group concerns. We cannot assure you that no such conflict will arise in future that may affect our business prospects and financials. Further, we cannot assure you that if any actual conflict of interest does arise, we will be able to resolve the conflict of interest in our favour.

35. *One of Our Promoters does not have adequate experience in various business activities undertaken by the Company.*

One of our promoters Mrs. Sunita D. Panchal does not have adequate experience in the various business activities undertaken by us. Our company cannot assure you that the lack of adequate experience in our business will not have any adverse impact on the management and /or operations of the company. Already discussed, she is not the core promoter, no need to put this.

36. *Any delay in implementation schedule which may adversely affect our expansion plan.*

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

37. *There may be a delay, reduction in scope, cancellations, execution difficulty, payment postponement or payment defaults or disputes with clients with regard to existing or proposed orders.*

Our Company's business, operations and revenues may be adversely affected incase of any delay, reduction in scope of order , cancellations, execution difficulties, payment postponement, payment defaults or disputes with clients with regard to our order book or any other order under execution.

38. *There is no existing market for the Our Company's Equity Shares, which may or may not develop or be sustained after the completion of Offer. Our stock price may be highly volatile after the Issue, and as a result, you could lose a significant portion or all of your investment.*

Prior to the Issue, there has not been a public market for the Equity Shares. We cannot predict the extent to which investor interest will lead to the development of an active trading market on the Stock Exchanges or how liquid that market will become. If an active market does not develop, you may experience difficulty in selling the Equity Shares that you purchased. The IPO price is not indicative of prices that will prevail in the open market following the Issue. Consequently, you may not be able to sell your Equity Shares at prices equal to or greater than the price you paid in the Issue.

- 39. You will not be able to sell immediately any of the Equity Shares you purchase in this Issue on an Indian stock exchange.**

The Equity Shares are proposed to be listed on BSE and NSE. 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 the Designated Stock Exchange. Thereafter, upon receipt of final approval of the stock exchanges, 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. There can be no assurance that the Equity Shares allocated earlier to investors will be credited to their demat accounts, or that trading will commence, within the time periods specified above.

- 40. The Land pertaining to our Unit no.1504 situated at GIDC, Umbergaon, Gujarat, is not in the name of the Company.**

The Land pertaining to our Unit no.1504 situated at GIDC, Umbergaon, Gujarat, is not in the name of the Company. For the use of the premises, during the financial year 2007-08, we had entered into a leave and license agreement with one of our Promoters group firm M/s Expert Engineers, the expiry of which is in year 2013, for unit 1504, GIDC, Umbergaon. However, if the Lessor decides to or if certain circumstances beyond either party's control leads to cancellation, revocation or pre-mature termination of such agreement, then it could hamper business operations and financial conditions.

- 41. During financial years 2008-09 and 2009-10 and 6 months period ended September 30, 2010, more than 20% of our total Sales was from trading operations, some of which may be non-recurring and loss of revenue from these products in subsequent years may adversely impact our financial operations.**

(Rs. In Lakhs)

Particulars	6 months ended September 30, 2010		Year ended March 31, 2010		Year ended March 31, 2009	
	Amount	%	Amount	%	Amount	%
Manufacturing	686.83	45.43	1831.59	69.36	1725.24	76.54
Trading	824.89	54.57	808.96	30.64	533.86	23.46
Total	1511.72	100.00	2640.55	100.00	2332.62	100.00

These trading activities were executed to facilitate different contractors / dealers for providing all products from one point. Further, for trading in these products we are dependent on outside suppliers and their product quality, which if found inferior, would adversely affect our business and financial operations. However, these income levels are non-recurring and we do not intend to focus on trading of these items.

- 42. Our top three customers accounted for more than 75% of our revenues in the last financial year and loss of any one or more of clients could adversely affect our business and financial operations to that extent.**

The percentage of revenues derived from our Company's top ten customers is more than 75%. Please refer to Page No. 183 for further details of this Draft Prospectus. We cannot assure you that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our operations and profitability. Further, our business and results of operations will be adversely affected if we are unable to develop and maintain relationships with our customers.

- 43. Our Company had negative cash flows during certain periods. Any negative cash flow in future could affect our operations and financial conditions.**

We had negative cash flow from various activities, details of which are as under:

(Rs. In lakhs)

Particulars	September 30,2010	2009-10	2008-09	2007-08
Net cash flow from operating activities	175.59	(32.10)	(470.11)	(314.39)
Net cash flow from investing activities	1.34	(36.72)	0.32	(380.15)
Net cash flow from financing activities	(155.57)	131.39	374.41	649.92
Total net cash flow	21.36	62.58	(4.25)	(44.62)

The net cash flow of a company is a key indicator to show the extent of cash generated from operations of the company to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

- 44. One of our Promoters Group Firms has reported losses for the following financial years.**

(Rs In Lakhs)

Particulars	2007-08	2006-07
M/s. Gemini Engineers & Fabricators	(0.21)	(0.07)

- 45. The market price of the Equity Shares may be adversely affected by any additional issuances of equity or sales of a large number of the Equity Shares by our Promoters.**

There is a risk that we may be required to finance our growth or strengthen our balance sheet through additional equity offerings. Any future issuance of Equity Shares, whether through the exercise of options or otherwise, will dilute the position of existing shareholders and could adversely affect the market price of the Equity Shares.

- 46. Our insurance cover may be inadequate to fully cover us from probable losses, thereby leading to material and adverse impact on business operations and financial condition.**

We have various insurance policies covering stocks, buildings and plant & machinery for total insured amount of Rs 174.87 lakhs, details of which are disclosed on Page No. 117 of the Draft Prospectus. However, our insurance policies may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. We cannot assure you that the terms of our insurance policies will be adequate in future to cover any damage or detriment suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. Further, we are not covered by business interruption policy, which may have a material and adverse impact on our business operations and profitability.

47. *There may be delay or defaults in collection of receivables from our clients.*

There may be delays associated with the collection of receivables from our clients. Our operations involve significant working capital requirements and delayed collection of receivables could adversely affect our liquidity and results of operations. Further, if customers default in their payments on an order to which we have devoted significant resources or cancels the order without paying the amount spent on raw materials till receipt of cancellation order or if a project in which we have invested significant resources is delayed, cancelled or does not proceed to completion, it could have a material adverse effect on our business, financial condition and results of operations and could cause the price of our Equity Shares to decline. Moreover, our products are made as per the specifications provided by our customers. Hence, any last minute cancellations would result in a lost sales opportunity and we also run the risk of not being able to sell those products to another customer. These events could have materially adverse effect on our business, results of operations and financial condition.

48. *In our contract terms and conditions, we are subject to late delivery charges under the contracts awarded by our customers, for any delay in completion and handover of the project.*

The industry in which we operate is time bound. Our contracts generally carry a clause for levy of late delivery charges in case of failure in meeting the completion of the project within the specified time on account of lapse on the part of our Company. However, at times due to circumstances beyond our control, there may be some delays in completing the projects, which may lead to payment of late delivery charges. Also, any inability to complete the project on time can lead to the client either delaying or refusing to make full or partial payment to us in respect of the amount due towards the project. In addition, it could cause damage to our reputation, which could adversely affect our ability to pre-qualify for projects, which in turn could adversely affect our business, results of operations and financial condition.

49. *Our operational performance is subject to our ability to get timely delivery of Job work.*

Our Company depends on outside agencies i.e. job-workers for performance of some of the processes in the whole fabrication process which includes precision drilling, moulding, heat treatment of equipments, rolling of plates with thickness of more than 25mm and machining of equipments with diameter of more than 1,250mm. Unanticipated delay in performance of these job-works may delay the whole process of fabrication which in turn could give rise to penalty or damages or loss of reputation. These factors could adversely impact our business operations and financial condition.

50. *Our Company faces stiff competition in this line of business activity. Any inability to compete with them can adversely impact business operations and financial conditions.*

Our Company operates under competitive environment. We compete with multinational engineering and construction companies or their regional operating entities as well as other Indian companies, where number of unorganized players exists. Most equipment fabrication contracts and projects are awarded through competitive bidding processes and satisfaction of other prescribed pre-qualification criterion. While service quality, technological capacity and performance, health and safety records and personnel, as well as reputation and experience, are important considerations in client decisions, price is a major factor in most tender awards. Once prospective bidders clear the technical requirements of the tender, the contract is



usually awarded to the most competitive financial bidder. Our industry has been frequently subject to intense price competition. This competitive bidding process may have an adverse effect on the profit margins that we are able to attain. There can be no assurance that we can continue to effectively compete with our competitors in future, and the failure to compete effectively may have an adverse effect on our business, operations and revenues.

51. *We face risks of assuming performance guarantees and product warranty costs due to unforeseen defects in our products and liquidated damages for delays in delivery at times, due to circumstances beyond our control.*

There are certain clauses in our contracts at times, expose us to warranty claims. Certain of our supply contracts provide for warranty periods varying from 18-24 months in the form of performance bank guarantee. Although, third party supplied items are covered under warranties provided by some of our vendors, we may not always be able to strictly enforce the same. In defending such claim, we could incur certain costs and management resources be diverted to apart from receiving adverse publicity. Our contracts are generally time-bound and may provide for liquidation damages to be paid in the event there is delay in delivery, beyond stipulated times lines in the contract. As a result, any delay and consequential payment of liquidated damages by us could have an adverse effect on our business, operations and revenues.

52. *Our business largely depends on our manufacturing facilities and the loss of or shutdown of operations of the manufacturing facility on any grounds could adversely affect our business or results of operations.*

Our manufacturing facilities are subject to operating risks, such as breakdown or failure of equipment, interruption in power supply or processes, shortage of raw materials, performance below expected levels of output or efficiency, natural disasters, obsolescence, labour disputes, strikes, lock-outs, severe weather, industrial accidents, our inability to respond to technological advances and emerging industry standards and practices in the industry and the need to comply with the directives of relevant government authorities. The occurrence of any of these risks could significantly affect our operating results, and the loss or shutdown of operations at our manufacturing facility will have a material adverse affect on our business, financial condition and results of operations.

53. *The Company does not have necessary Power sanction for unit no. 1505 from relevant authorities*

Our Company does not have necessary power sanction for unit no.1505 from relevant authority and present needs are met from our adjacent unit no.1506. We cannot assure you that we will continue to receive power supplies in future. In case of any disruption in power supplies could adversely affect our business, operations and revenues.

54. *We are susceptible to foreign exchange fluctuations. Thus, any loss on account of adverse foreign exchange movements could hamper financial conditions and profitability.*

During financial 2009-10, we imported raw material worth Rs. 780.64 lakhs, which accounted for 58.86 % of total raw material requirement for the above mentioned year. Post expansion, the quantum of raw material imported may vary. Since we currently sell our entire products in the domestic market, we do not enjoy any natural hedge against the said foreign currency exposure. Further, we are not engaged in exchange rate hedging activities. As a result, we are vulnerable to any adverse movement in foreign currency rate.

55. *Our Company is dependent on third party transportation providers for supply of raw materials and delivery of finished goods.*

We use third-party transportation providers for the supply of most of our raw materials and also for delivery of our finished products to our customers. Such third party transporters are chosen on a spot basis. Transportation strikes, by members of various Indian transport unions have had in the past, and could in the future, have an adverse effect on our receipt of supplies and our ability to deliver our products to our customers. In addition, continuing increase in transportation costs and requirement to pay an additional premium for urgent deliveries may have an adverse effect on our business and results of operations. However, we do not foresee any difficulty as we have been dealing with these parties and also as we maintain buffer raw material which can be used in unforeseen circumstances.

56. *Any future equity offerings or issue of options under any employee stock option scheme may lead to dilution of your shareholding in our Company.*

Subscribers of Equity shares in this Issue may experience dilution of their shareholding to the extent of any future equity offerings and to the extent additional options that may be issued under our employee stock option scheme.

57. *Our ability to pay dividends in the future will depends upon future earnings, financial conditions , cash flows, working capital requirements of our Company and restrictive covenants in our financial arrangements.*

Our Future ability to pay dividends will depend on the, earnings, financial condition, and capital requirements of our Company. Dividends distributed by us will attract dividend distribution tax at rates applicable from times to time. We cannot assure you that we will generate sufficient income to cover our operative expenses and pay dividend to our shareholders. We may be unable to pay dividends in the near or mediums term, and our future dividend policy will depend upon on our capital requirements and financing arrangements, financial conditions and results of operations.

58. *There are restrictions on daily movements in the price of the equity shares, which may adversely affect a shareholders ability to sell, or the price at which it can sell the equity share at a particulars point in time.*

As per present regulations, the price of our equity shares will be subject to a daily circuit breaker impose by all stock exchanges in India which does not allow transaction beyond a certain level of volatility in the price of the equity shares. This circuit breaker effectively limits upwards and downwards movements in the price of the equity shares .As a result, shareholders ability to sell the equity shares, or the price at which they can sell the equity shares may be adversely effected at a particulars point in time.

59. *We may not utilize the proposed enhanced capacity to its maximum, which could have an impact on the production, performance and profitability of our Company.*

We are currently able to utilize our capacity to the fullest but due to the substantial increase in capacity we may not be able to utilize the proposed capacity to optimum level for various reasons including stabilization of production processes on account of technical and operational problems or market fluctuations in Indian and Global markets or due to changes in market conditions, due to inflation or recession or economic conditions which are beyond the control of management.



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60. *Our operations may be adversely affected in case of industrial accidents at our manufacturing unit.*

Industrial accidents may occur on account of human failure, mechanical breakdowns, power spikes etc. The occurrence of such events will not only damage our labor force, materials and machinery but will also cause disruptions in our production schedules and affect the timely delivery of finished goods, which in turn may adversely affect our business operations.

61. *Out of total Indigenous Plant& Machinery of Rs.2251.11, our Company proposes to manufacture plant & machinery in-house aggregating to Rs.120.40 Lacs for the proposed expansion project*

Our Company proposes to manufacture Plant & Machinery in-house aggregating to Rs.120.40 Lacs, out of total Indigenous Plant & Machinery of Rs.2251.11 for proposed expansion project. In case the Company fails to manufacture the said Plant & Machinery due to any reason whatsoever; it may adversely affect our business, operations and revenue.

EXTERNAL RISK FACTORS

1. *Any slowdown in economic growth in India could cause our business to suffer.*

Our performance and growth are essentially dependent on the health of the overall Indian economy. A slowdown in the Indian economy could adversely affect our business. India's economy could be adversely affected by a general rise in interest rates, weather conditions, adversely affecting agriculture, commodity and energy prices or various other factors. In addition, the Indian economy is in a state of transition. The share of the service sector of the economy is rising while that of the industrial, manufacturing, and agricultural sectors is declining. It is difficult to gauge the impact of these fundamental economic changes on our business. Any slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business.

2. *Exchange Rate Fluctuations may have impact on the performance of Our Company.*

Our Company is exposed to exchange rate fluctuations. Uncertainties in the global financial market may have an adverse impact on the exchange rate between Rupee vis-à-vis other currencies. The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in the future. Such fluctuations can have a serious impact on the revenues.

We intend to import equipment / machineries for the expansion of our integrated plant. Fluctuations in foreign exchange rates may adversely affect the cost of project. We have not entered into any hedging agreement for minimizing the exchange rate risk and in the event of rates changing adversely, the project cost may rise.

3. *Our Regulatory changes with regard to Direct/Indirect taxes may adversely affect our performance or financial conditions.*

Regulatory changes relating to business segments in which we operate in India can have a bearing on our business. Each state in India has different local taxes and levies which may include value added tax, sales tax and octroi charges in these local taxes and levies may impact our profits and profitability. Any negative changes in the regulatory conditions in India or our other geographic markets could adversely affect our business operations or financial conditions.

4. *Our business could be adversely affected by any economic, political, social developments and government policies in India and particularly in the regional markets where we operate.*

Our performance and growth could be adversely affected by various factors, such as political and regulatory action including adverse changes in liberalization policies, any adverse development in the World economy, introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that we will succeed to operate in or succeed in obtaining all requisite regulatory approvals in the future for our operations which could have an adverse impact on our business, financial condition and results of operations.

5. *Instability of economic policies and the political situation in India or elsewhere 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 governing the private sector over the past several years.

Unstable internal and international political environment could impact the economic performance in both the short term and the long term. 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 by changes in interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

6. *Force majeure events, terrorist attacks or natural disaster or any other acts of violence or war involving India, or other countries could adversely affect the financial markets, may result in loss of customer confidence and adversely affect our Company's business, results of operations, financial conditions and cash flows.*

Certain force majeure events, being beyond our Company's control, including natural disasters, terrorist attacks and other acts of violence or war which may involve India, or other countries, may adversely affect Indian or worldwide financial markets, and could lead to economic recession. These acts may also result in a loss of business confidence and have other consequences that could adversely affect business, results of operations and financial condition of our Company. More generally, any of these events could lower confidence in India. Any such event could adversely affect the financial performance or the market price of the Equity Shares of our Company.

7. *You will not be able to sell immediately any of the Equity Shares you purchase in this Issue on Indian Stock Exchanges.*

The Equity Shares are proposed to be listed on BSE and NSE. 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 the Designated Stock Exchange. Thereafter, upon receipt of final approval of the stock exchanges, 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. There can be no assurance that the Equity Shares allocated earlier to investors will be credited to their demat accounts, or that trading will commence, within the time periods specified above.

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

The prices of our Equity Shares may fluctuate after this Issue due to a wide variety of factors, including volatility in the Indian and global securities markets; our operational performance, financial results and capacity expansion, developments in India's economic liberalization and deregulation policies, particularly in the telecommunication, and agricultural sector; and changes in India's laws and regulations impacting our business.

We cannot assure you that an active trading market for our equity shares will be sustained after this Issue or that the price at which our equity shares would be traded subsequent to this Issue will correspond to the current prices for our already existing equity shares.

9. *Fluctuations in prices and availability of energy, freight and other operating inputs may affect our margins.*

Energy usage in our production facilities represents one of our main production costs. In some cases, due to the basis for pricing in our sales contracts, or due to competitive markets, we may not be able to pass on to our customers the full amount of raw material price increases or higher energy, freight or other operating costs and this could reduce our profitability.



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NOTES TO RISK FACTORS

1. Net Worth before the Issue as per Audited Financial Statements of the Company and the Issue Size

Net Worth before the Issue (Based on audited accounts as on September. 30, 2010)	Rs.1799.06 Lakhs
Issue Size	Issue of 90,00,000 Equity Shares of Rs. 10/- each at Rs. 65 (including share premium of Rs.55/- per Equity Share aggregating to Rs. 65 /-(Rupees sixty five only), aggregating to Rs.5850.00 Lacs
Cost Per Share to the Promoters and Promoters' Group	Rs. 6.29*
Book Value (Based on Audited Accounts as on September 30, 2010) (Face Value of Rs. 10/- per share)	Rs. 28.31

*Average Cost per share of Promoters and Promoters Group

2. The average cost of acquisition of per equity share of the Promoters is as per the details given below:

Name of Promoter	Total no of Equity Shares	Average Cost of Acquisition (Rs.)
Mr. Dalpatram J. Panchal	2,978,820	7.11
Mrs. Sunita D. Panchal	5,17,500	2.00
Mr. Rakesh D. Panchal	2,414,000	6.39
Mr. Ashish D. Panchal	2,614,310	8.09
Mr. Hitesh D. Panchal	2,630,660	6.75

The Book value per share as on September 30, 2010 and March 31, 2010 is Rs. 28.31 and Rs. 25.55 per Equity Share respectively.

3. Public Issue of 90,00,000 Equity Shares of Rs 10/- each for cash at a price of Rs. 65 per Equity Share, aggregating Rs. 5,850.00 lakhs (The "Issue"). The Issue would constitute 41.46% of the fully diluted post Issue paid-up capital of our Company.
4. Our Company its Promoters/Directors, Company's Associates or Group companies has not been prohibited from accessing the Capital Market under any order or direction passed by SEBI. The Promoters, their relatives, Company, group companies, associate companies are not declared as willful defaulters by RBI / Government authorities and there are no violations of securities laws committed in the past or pending against them.
5. Any clarification or information relating to the Issue shall be made available by the LM, our Company and our Compliance Officer to the investors at large and no selective or additional information would be available for a section of investors in any matter whatsoever. Investor may contact the LM for any complaints pertaining to the Issue.
6. The Investors are advised to refer to the Paragraph on "Basis for Issue Price" beginning on Page No 74 of this Draft Prospectus before making any investment in this Issue.
7. Trading in Equity Shares of our Company for all the investors shall be in dematerialized form only.

8. In the event of over-subscription, allotment shall be made as set out in para titled “Basis of Allotment” beginning on Page No. 231 of this Draft Prospectus and shall be made in consultation with the Designated Stock Exchange *i.e.* BSE. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
9. No part of the Issue proceeds will be paid as consideration to promoters, directors, key managerial personnel, associate or Promoter Group companies/ entities except in the usual course of business.
10. The Directors / Promoters of our Company have no interest in our Company except to the extent of remuneration and reimbursement of expenses (if applicable), related party transactions and to the extent of any equity shares (of Gemini) held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding.
11. No loans and advances have been made to any person(s) / Companies in which the Director(s) of our Company are interested except as stated in the Auditors Reports and financial statements of our Company. For details of loans and advances, please refer to “Financial Statements of Our Company” appearing on Page No. 169 of this Draft Prospectus
12. The details of transaction by our Company with group companies during the last year is disclosed under “Related Party Transactions” in the Financial Information of our Company on Annexure XIV on Related Party Transactions of the Auditor’s Report under Section titled “Financial Information of Our Company” beginning on Page No. 174 of this Draft Prospectus.

SECTION III: INTRODUCTION

3.1. SUMMARY

This is only a summary and does not contain all the information that you should consider before investing in our Equity Shares. You should read the entire Draft Prospectus, including the information contained in the chapter titled “Risk Factors” and “Financial Statements of the Company” and related notes beginning on Page No. 10 and Page No. 153 of this Draft Prospectus before deciding to invest in our Equity Shares.

FABRICATION INDUSTRY- AN OVERVIEW

Fabrication is building of machines, structures, or process equipment as required, by cutting, shaping and assembling components made from raw materials. These equipments are made in various sizes and shapes to serve the demand of the industry namely, cement, dairy, refinery, pharmaceutical, petrochemical, power and chemical.

The industry is highly fragmented and project oriented. The fabrication industry has a market size of more than US \$ 1,744 Million per annum. The major activities comprises of fabricated equipment steel structures and transmission towers. The end product is generally fabricated equipment, which does the chemical process to roll out the product, which the fabricated equipments are designed to carry out, as per the requirements.

Fabrication industry makes equipment in various sizes and shapes to serve the demand of the diverse industrial sectors like cement, dairy, refinery, pharmaceutical, petrochemical, power and chemicals. The fabrication Industry is highly fragmented and project oriented having a market size of more than US \$ 1,744 Million per annum. The major players in fabrication business are L&T, Godrej, Southern Structural, Bellary Steels and Binny Engg, etc. which have machine shops to ‘finish’ the end product. It requires large investment especially from capital goods industry. The growth in this industry is expected to be around 5–6% per annum and it also depends on the growth in the engineering sector, especially capital goods industry and construction industry which drives the demand for small units.

Salvaging of Equipments

Salvaging is another process under fabrication industry where the corroded portion of the equipment is changed or reworked instead of changing of the entire equipment. In refineries, petrochemical, and nuclear plants there are certain equipment whose tonnage cost is exuberant. These equipments on coming in contacts with Exotic Materials such as duplex stainless steel, cupronickel, inconel etc. gets corroded. In most of these cases the equipments gets corroded either from the tube side or the shell side. When it is from the tube side, it becomes costly to replace the entire tube bundle, hence only that part which is corroded is reworked or changed. This gives the equipment new lease of life without incurring heavy expenses.

Technology of Fabrication

Fabrication involves a combination of various mechanical processes including welding, soldering, brazing, forming, pressing, bending and stress removal. Welding is a major process in Fabrication Industry all the joining is done by welding process using the different type of electrical depending on the material to be welded. The major types of welding processes are:

- Submerged arc welding - used for longitudinal welding
- MIG CO₂ welding - used for galvanized steels and steels < 2.5 mm thick
- TIG welding - for stainless steel
- Manual arc welding - for small jobs & general steel applications

Process Advantages

Compared to a casting, the fabrication process has following merits:

- a fabricated piece weighs less;
- most ferrous and non-ferrous materials can be fabricated;
- fabricated items involve lower investments as against that in a foundry (for cast components);
- fabrications can be done on site;
- single piece or multiple batches can be fabricated without recourse to patterns, dies, etc.; and
- Shape & size are not a consideration in a fabrication job

PRESENT CHARACTERISTICS OF THE MARKET

Industry

- The services rendered by the fabrication industry is of such a nature that it envelopes / caters to the requirement of all sectors - large, medium, small & tiny by its fabrication services it provides
- The sector is largely unorganized with many small players, the involvement of large players is very less
- Level of exports (Rs. 90 crores - US \$ 21 million) and imports (Rs. 75 crores - US \$ 17.4 million)

Inputs

- Raw material is generally available in India - only special steel is imported
- However there is a 30% price difference between indigenous & imported steel, the local prices being higher
- Still, there exists a high labour content in fabrication, when compared to a machining unit - about 20% higher labour content

User Segments

- Around 75% of fabrication is for structural applications (e.g. Cement, sugar etc.)
- Remaining 25% for specialized fabrication (pressure vessels, SS vessels, for nuclear & chemical industry)

Players

- Most major players have machine shops to 'finish' the end product
- Cater to a few user industries



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PROSPECTS OF THE INDUSTRY IN INDIA

Coupled by the buoyant increase in capital intensive units the following are the future benefits for the industry:

- General structural fabrication will continue to grow (example: Cement, two-wheeler frames, etc.)
- Housing sector growth will affect performance of small and medium fabricators
- Electrical and power projects - major impetus for future success
- Fabrication industry poised to grow at 5-6% per annum

The information presented in this section has been obtained from publicly available documents from various sources, industry websites and company estimates. Industry websites 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 other data used in this Draft 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.

Source: <http://www.indiamarkets.com/imo/industry/engineering/fabrication/fabrication.asp#MarketCharacteristics>

OUR BUSINESS OVERVIEW

Our Company was incorporated as a private limited company in the name of “Gemini Engi-Fab Private Limited” on January 12, 1998. In the year 2007, Gemini Engi-Fab Private Limited was converted into a public limited company with effect from January 9, 2007 under the name of “Gemini Engi-Fab Limited”. We are engaged in manufacturing and salvaging of process equipments through fabrication for various process industries, namely, cement, dairy, refinery, pharmaceutical, petrochemical, power and chemical. Fabrication is building of machines, structures, or process equipment as required, by cutting, shaping and assembling components made from raw materials.

We started our operations in the financial year 1998-99 with manufacturing of spares, channel heads, tube sheets and tube bundles for refineries in an industrial shed at Andheri in Mumbai. In the year 2001, we purchased a unit in the same industrial estate to expand our operations. During 2003, we further expanded our operations by purchasing another unit adjoining the existing location. On October 1, 2004 we entered into leave and license agreement with M/s Expert Engineers, a registered partnership firm of the Promoters for using and occupying the factory premises including the machineries and other fittings and fixtures therein located at Plot No. 1504, GIDC, Umbergaon, District Valsad, Gujarat. In the year 2005, we entered into manufacturing of heat exchangers for refineries and dairy plants. During 2006, we had taken two adjacent plots on lease / leave and license basis from GIDC to further expand our operations. With this, we were able to manufacture pressure vessels, storage vessels, tanks, heat exchangers, distillation and absorption columns with various types of ferrous and non ferrous materials like carbon steel, stainless steel, nickel, copper, monel, inconel, brass and titanium. With the expansion, our weight handling capacity increased from 18 tones to 27 tonnes. During 2006-07 we entered into salvaging of equipments and during 2007-08, we shifted our Mumbai operations from Andheri to Umbergaon, Gujarat at its existing plant to consolidate all its manufacturing operations.

In the year 2008 we were accredited with the American Society of Mechanical Engineers ASME U Stamp a globally recognized code for manufacturer certification, quality assurance, design, materials, manufacturing and testing of

power boilers, heating boilers and pressure vessels. We plan to increase our customer base in the existing domestic markets and also cater to global market through this accreditation. The certificate is valid till November, 2011.

We are an ISO 9001: 2008 certified company. In the year, 2009 this certificate was awarded to design, manufacture and supply fabricated process equipments for food, dairy, cement, refinery, nuclear power projects, power projects & chemical projects on turnkey & salvaging basis. The certificate is valid till December, 2012.

KEY BUSINESS STRENGTHS

Our Strengths

Multi-product Capability

As we are into manufacturing of customized equipments, we have multi-purpose manufacturing facility. This helps us to produce multiple equipments, each different from the other; using combination of processes, helping us develop a multi product capability. This helps us cater to various process equipments viz. heat exchangers, pressure vessels, tanks and storage vessels. We believe that our product range would enable us to expand our business from existing customers, as well as address a larger base of potential new customers.

Operation in Diverse Industry

Our Company has a product mix to cater to the increasing requirements of our various customers in the public as well as private sector. The product range offered by us is used in different industries namely cement, dairy, refinery, pharmaceutical, petrochemical, power and chemical. Our operations are spread across various industries that enable us to decrease our dependence on any one particular industry.

Order Book

The value of our Order Book as at September 30, 2010 was Rs. 1701.74 lakhs. We have continued to add to our Order Book at a steady pace, having added contracts worth Rs. 779.23 lakhs to our Order Book during the period from April 1, 2010 to September 30, 2010. Further, our Order Book is diversified sector-wise which is an added advantage as it helps in mitigating the industry specific risk factors.

Our Quality

Quality has been of utmost importance in all the work that the company does. The company has been able to sustain and develop its clientele due to the high quality standards that it offers. It has been able to nurture a fruitful and long term association with its clients.

Due to its continuous endeavor to uphold the highest standards in terms of quality of its products and services, the company has been awarded the following certification / accreditations:

- The company was awarded the certificate by the American Society of Mechanical Engineers (ASME) for manufacture of pressure vessels at the existing location of the company.
- The company was authorized to apply the mark NB on its pressure vessels and other pressure retaining items by The National Board. This certificate is valid till November 4, 2011.
- ISO 9001:2008 in December 29, 2009 which is valid till December 14, 2012

We place emphasis on ensuring that our quality standards are adhered to at every stage of manufacture of our products starting from raw material procurement to manufacture of finished product.

Experienced management team

We have an experienced management team. Our Chairman Mr. Dalpatram J. Panchal has more than 37 years of experience in engineering and fabrication. Mr. Rakesh D. Panchal, Mr. Ashish D. Panchal and Mr. Hitesh D. Panchal are having more than 10 years of experience in engineering and fabrication.

MARKET BASE & CUSTOMERS:

The fabrication industry being a highly unorganized/unstructured industry there is no readily available data to assess the percentage of market being catered to by the company but at the same time there is very limited competition in this sector / segment due to the specialized/technological factors involved in the operations. We are looking forward for potential business opportunities in other geographical areas both within and outside the country. We foresee tremendous business opportunities in the middle-east countries due to the rapid increase in the oilfield and exploration works.

The customer base of the company is widely dispersed and spread across various sectors/ segments. Some of our prominent clients (former as well current clients) as are as under:

- a) Indian oil Corporation Limited
- b) Nestle India Limited
- c) Larsen & Toubro Ltd.
- d) National Dairy Development Board
- e) Gujarat Narmada Valley Fertilizer Company Ltd.
- f) Gujarat Alkalies and Chemicals Ltd.
- g) Chennai Petroleum Corporation Ltd.
- h) Bharat Petroleum Corporation Ltd.
- i) Hindustan Petroleum Corporation Ltd.
- j) Rashtriya Chemicals and Fertilizer Ltd.
- k) Heavy Water Board
- l) Reliance Petroleum Ltd.
- m) National Dairy Development Board (Gujarat)
- n) DLF Cement Ltd.
- o) Nirma Ltd.
- p) Haldia Petrochemicals Ltd
- q) Bhabha Atomic Research Centre

- r) Ambuja Cement Ltd.
- s) Lanxess India (P) Ltd.
- t) Mazagon Dock Ltd.

Fabrication is being used across all industries in various segments large, medium and small. The market for the products / services of the company is widespread and covers the entire gamut of industries and includes apart from other capital intensive industries using large equipments such as large manufacturing industries, extraction sectors, mining industries, pasteurization units, energy and energy conservation units,

Major Suppliers

The company sources its materials both from the domestic as well as from the international market depending upon the prevailing market conditions, rates, period of delivery etc. We hereunder give the list of some of our prominent suppliers:

- i) Pawan Traders
- ii) Kailash Enterprises
- iii) Gautam Steel
- iv) Ratnamani Metals & Tube Ltd.
- v) Hemal Enterprises
- vi) Anmol Traders
- vii) Multimetals Ltd.
- viii) Kanematsu Trading Corp.
- ix) Bhawal Steel Agency
- x) Dmson's Metal Pvt. Ltd.

Competitors

We compete against international engineering and construction companies or their regional operating entities as well as other Indian companies, where several unorganized players exist. Most equipment fabrication contracts and projects are awarded through competitive bidding processes and satisfaction of other prescribed prequalification criteria. While service quality, technological capacity and performance, health and safety records and personnel, as well as reputation and experience, are important considerations in client decisions, price is a major factor in most tender awards. Once prospective bidders clear the technical requirements of the tender, the contract is usually awarded to the most competitive financial bidder. Our industry has been frequently subject to intense price competition. In India, there are a number of players in fabrication industry having only a segment dedicated to fabrication. Our major competitors in India include:

- Patels Airtemp (India) Limited,
- Artson Engineering Limited,
- Mukand Engineers Limited,
- GMM Pfaudler Limited.

INSTALLED CAPACITY & PRODUCTION:

In view of the company being working in a customer specified heterogeneous products category there is no specific/identical description of the products manufactured by the company. In view of the above there is no Installed capacity *per se*.

Customs Duty Anomalies & Rationalization

In respect of the products manufactured by the company there are no export sales at present and as such there is no custom duties payable in respect of the sales. In respect of the imports of raw materials made by the company, the rate of duties varies from 5% to 10%. Apart from the basic duty there is an additional duty of around 4% for which the company avails the Cenvat credit.

The major raw materials imported by the company are nickel, brass, seamless tube etc. which are being imported due to price difference in the international market. During the last year, there has been a considerable increase in the imports basically on account of the price difference in the international market and due to unavailability in the domestic market. Due to this, any increase in the customs duty is likely to lead to an increase in the cost of the finished products.

QUALITY CONTROL:

Quality has been of utmost importance in all the work that the company does. The company has been able to sustain and develop its clientele due to the high quality standards that it offers. It has been able to nurture a fruitful and long term association with its clients.

Due to its continuous endeavor to uphold the highest standards in terms of quality of its products and services, the company has been awarded the following certification / accreditations:

- The company was awarded the certificate by the American Society of Mechanical Engineers (ASME) for manufacture of pressure vessels at the existing location of the company.
- The company was authorized to apply the mark NB on its pressure vessels and other pressure retaining items by The National Board of Boiler & Pressure Vessel Inspectors. This certificate is valid till November 4, 2011.
- ISO 9001:2008 received in December 29, 2009 which is valid till December 14, 2012

SUMMARY FINANCIAL AND OPERATING INFORMATION

The following table sets forth the historical financial information of our Company derived from the restated and audited financial statements for the half year ended September 30, 2010 and Fiscal years ended March 31; 2006, 2007, 2008, 2009 and 2010, all prepared in accordance with Indian GAAP and SEBI (ICDR) Regulations and included in the section titled "Financial Information of the Company" beginning on Page No. 153 of this Draft Prospectus and should be read in conjunction with those Financial Statements and notes thereto and the section titled "Management's Discussion and analysis of financial condition and results of operations" beginning on Page No. 181 of this Draft Prospectus.

Statement of Audited Profits & Losses as Restated

(Rupees in lakhs)

Year / Period Ended	30.09.2010	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Income						
Sales of the products manufactured by Company	686.83	1,831.59	1,725.24	1,785.45	1,093.89	656.77
Sale of the products traded by Company	824.89	808.96	533.86	547.17	343.14	-
Less : Excise Duty Paid	65.39	159.84	175.58	225.53	156.17	97.62
Commission	157.85					
Net Sales	1,604.18	2,480.71	2,083.52	2,107.09	1280.86	559.15
Other Income	29.66	104.48	53.51	24.31	5.47	8.53
Increase/ (Decrease) in Inventories	(49.37)	(416.18)	126.75	194.74	120.01	26.55
Total Income	1,584.47	2,169.01	2,263.78	2326.14	1,406.34	594.23
Expenditure						
Cost of Material	1,085.62	1,326.12	1,758.43	1,392.27	989.35	403.94
Manufacturing Expenses	34.53	60.56	128.08	100.30	79.83	38.49
Administrative Expenses	121.66	164.87	171.33	153.84	101.94	66.36
IPO Expenses*		-	91.13			
Interest and Financial Charges	54.64	117.03	127.34	48.47	37.36	7.77
Depreciation/ Amortization	15.26	23.59	28.04	31.25	19.39	12.38
Total Expenditure	1,311.71	1,692.17	2,304.35	1726.13	1227.87	528.94
Profit / Loss before tax and extra ordinary items	272.76	476.84	(40.57)	600.01	178.47	65.29
Provision for Taxation						
Current Tax	92.71	170.62	15.64	214.00	50.17	26.27
Fringe Benefit Tax	-	-	1.27	1.30	1.49	1.11
Less/ (Add) Deferred Tax	(2.36)	4.97	(3.53)	0.16	4.06	(0.38)
Profit / (Loss) after Tax before Extra ordinary items	182.41	301.25	(53.95)	384.55	122.75	38.29
Extraordinary Items			-	-	-	-
Net Profit / (Loss) after tax & extraordinary Items	182.41	301.25	(53.95)	384.55	122.75	38.29
Earlier Year / Prior Period Adjustments	-	-	-	-	-	-
Net Profit / (Loss) as restated	182.41	301.25	(53.95)	384.55	122.75	38.29

Statement of Audited Assets & Liabilities as Restated

(Rupees In lakhs)

Year / Period Ended	30.09.2010	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Fixed Assets (A)						
Gross Block (incl. Capital Work in Progress)	766.06	762.31	720.34	714.24	354.01	244.59
Less: Accumulated Depreciation	153.85	138.59	122.11	94.07	68.28	48.90
Net Block	612.21	623.72	598.23	620.17	285.73	195.69
Investments (B)	1.00	1.00	1.00	1.00	1.00	1.00
Current Assets, Loans and Advances (C)						
Inventories	1,576.55	1,550.65	1,621.95	948.24	421.92	237.12
Sundry Debtors	2,432.93	2,112.80	749.63	1,002.60	443.16	146.01
Cash & Bank Balance	170.26	148.90	86.32	90.58	135.20	40.79
Loans & Advances	291.76	241.39	307.44	180.47	165.14	79.58
Total (C)	4,471.50	4,053.74	2,765.34	2,221.89	1,165.42	403.50
Total Assets (A)+(B)+(C)	5,084.71	4,678.46	3,364.57	2,843.06	1,452.15	700.19
Liabilities and Provisions (D)						
Secured Loans	1,081.75	985.03	1,161.60	614.65	410.10	331.46
Unsecured Loans	234.00	425.00	-	-	12.62	19.47
Deferred Tax Liabilities / (Assets)	2.41	4.78	(0.18)	3.34	3.18	(0.88)
Current Liabilities & Provisions	1,967.49	1,640.35	881.10	1,005.72	678.00	282.27
Total (D)	3,285.65	3,055.16	2,042.52	1,623.71	1,103.90	632.32
Net Worth (A+B+C-D)	1,799.06	1,623.30	1,322.05	1,219.35	348.25	67.87
Represented by						
1. Share Capital	635.26	635.26	635.26	621.76	136.40	10.00
2. Reserves & Surplus	1,170.45	988.04	686.79	617.52	211.87	57.91
Total	1,805.71	1,623.30	1,322.05	1239.28	348.27	67.91
Less: Miscellaneous Expenditure	6.65	-	-	19.93	0.02	0.04
Net Worth	1,799.06	1,623.30	1,322.05	1,219.35	348.25	67.87

3.2. THE ISSUE

PRESENT ISSUE TO THE PUBLIC IN TERMS OF THIS DRAFT PROSPECTUS	
Equity Shares Offered: Present Issue of Equity Shares by our Company	90,00,000 Equity Shares of Rs.10 each for cash at a price of Rs 65/- per share aggregating Rs. 5850.00 Lakhs
Net Issue to the Public	90,00,000 Equity Shares of Rs.10 each for cash at a price of Rs 65/- per share aggregating Rs. 5850.00 Lakhs
Equity Shares outstanding prior to the Issue	12,705,290 Equity Shares
Equity Shares outstanding after the Issue	21,705,290 Equity Shares
Objects of the Issue	Please refer Chapter to the title "Objects of the Issue" on Page No. 59 of this Draft Prospectus

3.3. GENERAL INFORMATION

Our Company was incorporated as ‘Gemini Engi-Fab Private Limited’ on January 12, 1998 under the Companies Act, 1956. The Company was then converted into a Public Limited Company on January 9, 2007 with the name “Gemini Engi-Fab Limited”

The brief information for our Company is given below: -

Registered Office and Factory	501, Palm Spring, Link Road, Next to ‘D’ Mart, Malad (West), Mumbai – 400 064, India Tel. No. 91-22-28808822 Fax No. 91-22-2880 8998 <u>Existing Works</u> Plot 1504, 1505 & 1506, Gujarat Industrial Development Corporation, Umbergaon – 396 171, District Valsad, Gujarat <u>Proposed Works</u> Number 62 Paiki 3, 147 Paiki 5 and 148 (Plot measuring 54,981 sq mtrs.), Khata No. 155, Village Palgam, Taluka – Umbergaon, District Valsad, Gujarat
Date of Incorporation	12 th January, 1998
Company Registration No.	11-112909
Company Identification No.	U28920MH1998PLC112909
Address of Registrar of Companies	Registrar of Companies – Everest, 100, Marine Drive, Mumbai – 400 002, Maharashtra, India.
Name of the Stock Exchanges	Bombay Stock Exchange Limited National Stock Exchange of India Limited
Designated Stock Exchange	Bombay Stock Exchange Limited
Issue Programme	Issue Opens on: [●] Issue Closes on: [●]



<u>BANKER TO THE COMPANY</u> The Bharat Co-operative Bank (Mumbai) Ltd., Shop No 6 & 106, Ground Floor, Town Centre, Near Mittal Industrial Estate, Andheri – Kurla Road, Marol, Andheri (East) Mumbai- 400 059 Tel: 022 –2852 6272 / 2859 9303 Fax: 022 – 2850 4074	<u>COMPANY SECRETARY & COMPLIANCE OFFICER</u> Ms. Pooja Karia 501, Palm Spring, Link Road, Next to 'D' Mart, Malad (West) Mumbai – 400 064. Phone : +91-22 - 28808822 Fax : +91-22 - 28808998 Email : investor@geminief.com
<u>LEAD MANAGER TO THE ISSUE</u> Hem Securities Limited 14/15, Khatau Building 40, Bank Street, Fort Mumbai - 400 001 Tel: 022 – 2267 1543 / 44 Fax: 022 – 2262 5991 Web: www.hemonline.com Email: ipoinfo@hemonline.com Contact Person: Mr. Rakesh Bhalla SEBI Regn. No. INM000010981	<u>REGISTRAR TO THE ISSUE</u> Karvy Computershare Pvt. Ltd. Plot no. 17-24 Vittal Rao Nagar, Madhapur, Hyderabad – 500 081 Tel: 040 – 4465 5300 Fax: 040 – 2342 0814 /2343 1551 Web: www.karvy.com Email: geminii ipo@karvy.com Contact Person: Mr. Murali Krishna SEBI Regn. No. INR 000000221
<u>BANKERS TO THE ISSUE</u> [●] Yet to be Appointed	<u>AUDITORS OF THE COMPANY</u> Dass Maulik M. K. Agrawala & Co. Chartered Accountants B-1/17A, Vyapar Bhawan, 49, P. D'mello Road, Carnac Bunder, Mumbai – 400 009 Tel: +91-22-65236959 Fax: +91-22-23480924 Web: www.dmmka.in E-mail: mumbai@dmmka.com (Please refer to Page No. 218 of this Draft Prospectus for further details)
<u>LEGAL ADVISOR TO THE ISSUE</u> Mindspright Legal Office No. 9, 3rd Floor, 7/10, Botawala Building, Horniman Circle, Fort, Mumbai- 400 023 Tel: 022- 4002 0665 Fax: 022- 4002 0664 Web: www.mindspright.co.in	<u>GRADING AGENCY TO THE ISSUE</u> Credit Analysis & Research Ltd. 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai- 400 022 Tel. 022- 6754 3456 Fax: 022- 6754 3457 Web: www.careratings.com

Board of Directors of the Company

Our Board of Directors consists of:

Name	Designation
Mr. Dalpatram J. Panchal	Chairman (Executive)
Mr. Rakesh D. Panchal	Managing Director
Mr. Ashish. D. Panchal	Whole Time Director
Mr. Hitesh. D. Panchal	Whole Time Director
Mr. Sanjit B. Gohil	Non – Executive Independent Director
Mr. Jayant P. Chandra	Non – Executive Independent Director
Mr. Jairaj K. Desai	Non – Executive Independent Director
Mr. Vijay C. Panchal	Non – Executive Independent Director

Brief Details of Our Company’s Chairman, Managing Director and Whole time Directors

MR. DALPATRAM J. PANCHAL, CHAIRMAN

Mr. Dalpatram J. Panchal, S/o Shri Jethalal Panchal, is 62 years of age. He holds a diploma in mechanical engineering and has over 40 years of experience and in-depth knowledge in the business of fabrication. He is an Executive Chairman of the Company and masters all the intricate techniques and subtle nuances of this business. An Engineering Graduate, Mr. Dalpatram J. Panchal began his professional career and joined Larsen & Toubro in the design department in the year 1969. From there he rose to Senior Design Engineer and worked in different areas like designing, estimation, planning and production.

The making of a man starts at a very early age. On 26th January, 1982, Mr. Dalpatram J. Panchal and his colleague of Larsen & Toubro, Mr. Habil S. Jhaveri jointly promoted a Firm named “Gemini Engineers and Fabricators to explore the opportunities in Engineering and Fabrication Industry.

Mr. Dalpatram J. Panchal with his brilliant engineering skill and business expertise guided the company to cater to the industries like chemicals, petro-chemicals, cement, food, dairy, refineries and nuclear power projects.

He started the company on a very small scale, but his hard work, honesty, integrity and command over the subject, paid him off in the form of excellent roster of clients comprising the likes of Larsen & Toubro, Hindustan Petroleum, Bharat Petroleum, Rashtriya Chemicals and Fertilizers, Gujarat Alkalies and Chemicals, Nirma, Reliance etc.

In the year 2007, the Company “Gemini Engi-Fab Pvt Limited” was converted into a Public Limited Company under the provisions of Part IX of Indian Companies Act, 1956 in which Mr. Dalpatram J. Panchal is the Chairman.

Mr. Dalpatram J. Panchal is a leader and always leads from the front. He mentors the new generation, policy formulation, strategic planning, and decision making and making the road map of progress to attain greater heights

It is under the valuable and impeccable aegis of Mr. Dalpatram J. Panchal, that the company has emerged as recognized name in domestic market.

MR. RAKESH PANCHAL, MANAGING DIRECTOR

Mr. Rakesh Panchal, S/o Shri Dalpatram Panchal is 39 years of age, SSC pass and is an entrepreneurial by nature. Thus, he began his professional career at the age of 21, in the areas of Finance and Marketing. As head of finance, he monitors the company's finances to ensure optimum utilization of the resources.

As a Marketing head, he developed strong relations with clients like Hindustan Petroleum, Bharat Petroleum, Rashtriya Chemicals and Fertilizers, Gujarat Alkalies and Chemicals, Nirma, Gujarat Narmada Valley Fertilizers Company, IndianOil Corporation, Haldia Petro-Chemicals etc. and facilitated the company to scale new heights.

MR. ASHISH PANCHAL, WHOLE-TIME DIRECTOR

Mr. Ashish Panchal is the third pillar of the company and second son of Shri Dalpatram Panchal. He is 36 years of age and holds Diploma in Mechanical Engineering from the Board of Technical Examinations, Maharashtra State. A technocrat, Mr. A.D. Panchal began his professional career at the age of 22 in the technical department of this Company.

He is solely responsible for designing, execution of the order, technical interaction with the clients etc. Apart from monitoring day-to-day activities of his department, he also guides and assists on other activities wherever possible, in order to facilitate the company attain its long term goals.

Under his expert guidance, the company has attained International Quality Standards and processes of fabrication. Through his vision and leadership traits, the company has successfully acquired ISO 9001: 2000 certification in past and ISO 9001:2008 certification at present. He also mentored the company to attain U-Stamp certification from the American Society of Mechanical Engineers (ASME).

MR. HITESH PANCHAL, WHOLE-TIME DIRECTOR

Mr. Hitesh Panchal, the youngest son of Shri Dalpatram Panchal also continued the tradition of the family and joined the family business. Presently, 33 years of age, Mr. Hitesh is an Under-Graduate and has an experience of 12 years in the area of production management and project execution in the Engineering & Fabrication Industry. Mr. Hitesh Panchal began his professional career at the age of 18 years, in the production department of this company. Currently, being the whole-time director of M/s Gemini Engi-Fab Limited and sole in-charge of the production unit, he monitors day-to-day activities pertaining to production, Inspection and timely delivery of projects undertaken.

For further details of Our Directors, please refer to Page No. 131 under Section titles "Our Management" of this Draft Prospectus

Note: Investors can contact the Compliance Officer in case of any Pre-Issue or Post-Issue related problems such as non-receipt of letter of allotment or share certificates, credit of securities in depositories' beneficiary account or dispatch of refund orders etc.



GEMINI ENGI-FAB LIMITED

Statement of Inter-se Allocation of Responsibilities

Since **Hem Securities Limited** is the sole LM to this Issue, statement of inter-se allocation responsibilities among Lead Manager's is not applicable.

Self Certified Syndicate Banks ("SCSBs")

As on date following banks are registered with SEBI for collection of ASBA forms –

1. Corporation Bank
2. ICICI Bank
3. HDFC Bank
4. State Bank of India
5. Union Bank of India
6. IDBI Bank
7. AXIS Bank
8. Kotak Mahindra Bank
9. State Bank of Bikaner & Jaipur
10. Bank of Baroda
11. Punjab National Bank
12. YES Bank
13. Citi Bank N.A.
14. Bank of India
15. State Bank of Hyderabad
16. HSBC
17. Vijaya Bank
18. State Bank of Travancore
19. Bank of Maharashtra
20. Deutsche Bank
21. Allahabad Bank
22. Andhra Bank

Further to the above-mentioned list of banks, all those banks registered with SEBI from time to time shall act as SCSBs for this Issue. Investors are requested to refer the SEBI website www.sebi.gov.in for updated list of SCSBs.

IPO Grading

Our Company has appointed CARE for grading. CARE has assigned a 'CARE IPO GRADE [●]' to the proposed initial public offering of the Company. Pursuant to Regulation 26, Clause 7 of the SEBI (ICDR) Regulations, 2009, the rationale / description furnished by the credit rating agency will be updated at the time of filing Draft Prospectus with the Registrar of Companies. CARE had assigned "CARE IPO GRADE 2" to the IPO of the Company which was shelved.

CREDIT RATING

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

TRUSTEES

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

MONITORING AGENCY

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 500.00 Crore. Since the Issue size is only of Rs. 58.50 Crores, our Company has not appointed any monitoring agency for this Issue.

However, as per the Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges upon listing of the equity shares and the Corporate Governance Requirements, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

UNDERWRITING

Underwriting being optional, this Issue is not being underwritten.

3.4. CAPITAL STRUCTURE OF THE COMPANY

The Share Capital of our Company, before the Issue and after giving effect to the Issue, as on the date of this Draft Prospectus is set forth below:

(Rs. in Lakhs)

Sr. No.	Particulars	Nominal Value at Face Value (Rs.)	Aggregate Value at Issue Price (Rs.)
A	Authorized Capital 25,000,000 Equity Shares of Rs.10 each.	2,500.00	-
B	Issued, Subscribed and Paid up capital 12,705,290 Equity shares of Rs.10 each	1,270.53	-
C	Present Issue 9,000,000 Equity shares of Rs.10/- each at a premium of Rs. 55 per share.	900.00	5,850.00
D	Net offer to public in terms of this Draft Prospectus 9,000,000 Equity shares of Rs.10/- each at a premium of Rs. 55 per share.	900.00	5,850.00
E	Paid up Capital After the Issue 21,705,290 Equity shares of Rs.10/- each.	2,170.53	2,170.53
F	Share Premium Account Before the Issue After the Issue		- 4,950.00

NOTES TO CAPITAL STRUCTURE

1. Details of Increase in Authorized Share Capital of the Company

Sr. No.	Date	Increased From	Increased To	Remarks
1	12-Jan-98	-	1,000,000	On Incorporation, 10,000 Equity Shares of Rs. 100 Each
2	9-Mar-06	1,000,000	5,000,000	Increased from Rs.10 Lakhs divided into 10,000 Equity Shares of Rs.100 Each to Rs.50 Lakhs divided into 50,000 Equity Shares of Rs.100 Each
3	12-Jun-06	5,000,000	50,000,000	Increased from Rs.50 Lakhs divided into 50,000 Equity Shares of Rs.100 Each to Rs.500 Lakhs divided into 5,00,000 Equity Shares of Rs.100 Each
4	27-Mar-07	50,000,000	5,00,00,000	Existing nominal value of Rs.100 per share divided into Rs.10 per share resulting in 5,000,000 Equity Shares of Rs.10 each



5	25-Oct-07	5,00,00,000	12,00,00,000	Increased from Rs. 500 lakhs divided into 50,00,000 Equity Shares of Rs. 10 each to Rs. 1,200 lakhs divided into 1,20,00,000 Equity Shares of Rs. 10 each.
6	2-Jun-08	12,00,00,000	13,00,00,000	Increased from Rs. 1,200 lakhs divided into 1,20,00,000 Equity Shares of Rs. 10 each to Rs. 1,300 lakhs divided into 1,30,00,000 Equity Shares of Rs. 10 each.
7	4-Oct-10	13,00,00,000	20,00,00,000	Increased from Rs. 1,300 lakhs divided into 1,30,00,000 Equity Shares of Rs. 10 each to Rs. 2,000 lakhs divided into 2,00,00,000 Equity Shares of Rs. 10 each.
8	12-Oct-10	20,00,00,000	25,00,00,000	Increased from Rs. 2,000 lakhs divided into 2,00,00,000 Equity Shares of Rs. 10 each to Rs. 2,500 lakhs divided into 2,50,00,000 Equity Shares of Rs. 10 each.

2. Equity Share Capital History of the Company

Date of Allotment / Fully Paid-up	No. of Equity Shares	Face Value	Issue Price	Consideration	Reasons for Allotment / Reduction	Cumulative Securities Premium Account (Rs.)	Cumulative No. of Equity Shares	Cumulative Paid-up Capital (Rs.)
12.01.1998	400	100	100	Cash	Subscribe to Memorandum	Nil	400	40,000
20.02.2004	600	100	100	Cash	Further Allotment	Nil	1000	1,00,000
20.01.2006	9000	100	100	Cash	Further Allotment	Nil	10000	1,000,000
05.08.2006	90000	100	100	Cash	Further Allotment	Nil	100000	10,000,000
27.03.2007	Share Split	10	Existing nominal value of Rs.100/- per share divided into Rs.10/- per share		Share Split*	Nil	1000000	10,000,000
27.03.2007	284050	10	25	Cash	Further Allotment	4260750	1284050	12,840,500
05.10.2007	912000	10	25	Cash	Further Allotment	17940750	2196050	21,960,500
01.11.2007	3294075	10	Nil	Bonus	3:2 Bonus Issue	Nil**	5490125	54,901,250
08.02.2008	588080	10	25	Cash	Further Allotment	8821200	6078205	60,782,050
31.03.2008	13840	10	100	Cash	Further Allotment	10066800	6092045	60,920,450
31.03.2008	125600	10	100	Cash	Further Allotment	21370800	6217645	62,176,450
30.04.2008	135000	10	100	Cash	Further Allotment	33520800	6352645	63,526,450
30.10.2010	6352645	10	Nil	Bonus	1:1 Bonus Issue	NIL**	12705290	127,052,900

* Equity shares of Rs. 100 each were sub-divided into Equity Shares of Rs. 10 each by way of a resolution of the shareholders on March 27, 2007.

** Share premium amount together with balance in reserves & surplus has been utilized for purpose of issue of bonus shares.

3. No Bonus Shares were issued out of reserves created from revaluation of assets during the last 5 years.

The detail of the Bonus Issue of Shares is as given:

Date of Issue	Name of Allottees	Reason for issue	No. of shares issued	Benefits accrued to the Company
November 01, 2007	To all shareholders as on the Issue date.	Capitalization of Reserves & Profits through Bonus in the ratio of 3 shares for every 2 share held.	3,294,075	NIL
30.10.2010	To all the shareholders as on the Issue date.	Capitalization of Reserves & Profits through Bonus in the ratio of 1 share for every 1 share held.	6,352,645	NIL

4. Promoters' Contribution and Lock In:

(A) Share Capital Build Up of Core Promoters

Name	Date of Allotment / Transfer / Acquisition and made fully paid up	Consideration (Cash/ bonus/ kind etc.)	No. of Equity Shares	Face Value (Rs.)	Issue / Acquisition Price	% of Pre issue Paid up Capital	% of Post issue Paid up Capital	Lock- in Period (Years)
Mr. Dalpatram J. Panchal	12.01.1998	Subscriber to MOA	100	100	100			-
	10.07.2000	Transfer (Purchase)	50	100	100			-
	20.04.2004	Allotment	200	100	100			-
	05.08.2006	Allotment	20000	100	100			-
		Sub Total*	20350					
	27.03.2007	Subdivision of face value from Rs.100 to Rs.10*	203500	10	Nil			3 Years
	27.03.2007	Allotment	140000	10	25			3 Years
	05.10.2007	Allotment	208000	10	25			3 Years
	01.11.2007	Bonus**	827250	10	Nil			3 Years
	08.02.2008	Allotment	8080	10	25			1 Year
	31.03.2008	Allotment	5480	10	100			1 Year
	18.03.2009	Transfer (Purchase)	10500	10	100			1 Year
	23.03.2009	Transfer (Purchase)	1500	10	100			1 Year
	25.03.2009	Transfer (Purchase)	1500	10	100			1 Year



Name	Date of Allotment / Transfer / Acquisition and made fully paid up	Consideration (Cash/ bonus/ kind etc.)	No. of Equity Shares	Face Value (Rs.)	Issue / Acquisition Price	% of Pre issue Paid up Capital	% of Post issue Paid up Capital	Lock- in Period (Years)
	31.03.2009	Transfer (Purchase)	2000	10	100			1 Year
	01.04.2009	Transfer (Purchase)	500	10	100			1 Year
	04.04.2009	Transfer (Purchase)	40000	10	100			1 Year
	06.04.2009	Transfer (Purchase)	1250	10	100			1 Year
	08.04.2009	Transfer (Purchase)	3750	10	100			1 Year
	09.04.2009	Transfer (Purchase)	13000	10	100			1 Year
	11.04.2009	Transfer (Purchase)	1000	10	100			1 Year
	14.04.2009	Transfer (Purchase)	500	10	100			1 Year
	18.04.2009	Transfer (Purchase)	500	10	100			1 Year
	28.04.2009	Transfer (Purchase)	2000	10	100			1 Year
	17.06.2009	Transfer (Purchase)	1000	10	100			1 Year
	30.06.2009	Transfer (Purchase)	600	10	100			1 Year
	29.07.2009	Transfer (Purchase)	2500	10	100			1 Year
	01.08.2009	Transfer (Purchase)	2000	10	100			1 Year
	10.08.2009	Transfer (Purchase)	2000	10	100			1 Year
	24.08.2009	Transfer (Purchase)	2000	10	100			1 Year
	23.11.2009	Transfer (Purchase)	4000	10	100			1 Year
	26.01.2010	Transfer (Purchase)	2500	10	100			1 Year
	29.01.2010	Transfer (Purchase)	1000	10	100			1 Year
	31.01.2010	Transfer (Purchase)	1000	10	100			1 Year
	06.10.2010	Transfer (Purchase)	500	10	100			1 Year
	30.10.2010	Bonus**	1489410	10	Nil			1 Year
	Total		2978820			23.45%	13.72%	



GEMINI ENGI-FAB LIMITED

Name	Date of Allotment / Transfer / Acquisition and made fully paid up	Consideration (Cash/ bonus/ kind etc.)	No. of Equity Shares	Face Value (Rs.)	Issue / Acquisition Price	% of Pre issue Paid up Capital	% of Post issue Paid up Capital	Lock- in Period (Years)
Mrs. Sunita D. Panchal	12.01.1998	Subscriber to MOA	100	100	100			-
	10.07.2000	Transfer (Purchase)	50	100	100			-
	20.02.2004	Allotment	200	100	100			-
	05.08.2006	Allotment	10000	100	100			-
		Sub Total*	10350					
	27.03.2007	Subdivision of face value from Rs.100 to Rs.10*	103500	10	Nil			1 Year
	01.11.2007	Bonus**	155250	10	Nil			1 Year
	30.10.2010	Bonus**	258750	10	Nil			1 Year
	Total		517500			4.07%	2.38%	
Mr. Rakesh D. Panchal	10.07.2000	Transfer (Purchase)	100	100	100			-
	20.02.2004	Allotment	200	100	100			-
	05.08.2006	Allotment	10000	100	100			-
		Sub Total*	10300					
	27.03.2007	Subdivision of face value from Rs.100 to Rs.10*	103000	10	Nil			3 Years
	27.03.2007	Allotment	48000	10	25			3 Years
	05.10.2007	Allotment	2,70,000	10	25			3 Years
	01.11.2007	Bonus**	631500	10	Nil			3 Years
	08.02.2008	Allotment	120000	10	25			1 Year
	31.03.2008	Allotment	3250	10	100			1 Year
	20.03.2009	Transfer (Purchase)	25000	10	100			1 Year
	08.07.2009	Transfer (Purchase)	5000	10	100			1 Year
	25.12.2009	Transfer (Purchase)	1250	10	100			1 Year
	30.10.2010	Bonus**	1207000	10	Nil			1 Year
	Total		2414000			19.00%	11.12%	



Name	Date of Allotment / Transfer / Acquisition and made fully paid up	Consideration (Cash/ bonus/ kind etc.)	No. of Equity Shares	Face Value (Rs.)	Issue / Acquisition Price	% of Pre issue Paid up Capital	% of Post issue Paid up Capital	Lock- in Period (Years)
Mr. Ashish D. Panchal	20.02.2006	Allotment	4500	100	100			-
	05.08.2006	Allotment	10000	100	100			-
		Sub Total*	14500					
	27.03.2007	Subdivision of face value from Rs.100 to Rs.10*	145000	10	Nil			3 Years
	27.03.2007	Allotment	48000	10	25			3 Years
	05.10.2007	Allotment	171000	10	25			3 Years
	01.11.2007	Bonus**	546000	10	Nil			3 Years
	08.02.2008	Allotment	340000	10	25			1 Year
	31.03.2008	Allotment	3530	10	100			1 Year
	04.04.2009	Transfer (Purchase)	42500	10	100			1 Year
	29.07.2009	Transfer (Purchase)	10000	10	100			1 Year
	29.01.2010	Transfer (Purchase)	1000	10	100			1 Year
	29.10.2010	Transfer (Purchase)	125	10	70			1 Year
	30.10.2010	Bonus**	1307155	10	Nil			1 Year
	Total		2614310			20.58%	12.04%	
Mr. Hitesh D. Panchal	20.01.2006	Allotment	4500	100	100			-
	05.08.2006	Allotment	10000	100	100			-
		Sub Total*	14500					
	27.03.2007	Subdivision of face value from Rs.100 to Rs.10*	145000	10	Nil			3 Years
	27.03.2007	Allotment	48000	10	25			3 Years
	05.10.2007	Allotment	263000	10	25			3 Year
	01.11.2007	Bonus**	684000	10	Nil			3 Years
	08.02.2008	Allotment	120000	10	25			1 Year
	31.03.2008	Allotment	1580	10	100			1 Year
	04.04.2009	Transfer (Purchase)	42500	10	100			1 Year
	31.07.2009	Transfer (Purchase)	10000	10	100			1 Year
	25.12.2009	Transfer (Purchase)	1250	10	100			1 Year
	30.10.2010	Bonus**	1315330	10	Nil			1 Year
	Total		2630660			20.71%	12.12%	
		Grand Total		11155290			87.80	51.39%



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**Sub division of the nominal value of the equity shares of our Company from Rs.100 per Equity Shares to Rs.10 per Equity Shares with effect from March 27, 2007*

***Share Premium amount together with balance in Reserve & Surplus has been utilized for purpose of Issue of Bonus Shares*

(B) Promoter's Contribution

The promoters of the Company have undertaken that they will lock-in the minimum number of shares as promoter's contribution, required to be locked in as per the SEBI (ICDR) Regulations on finalization of the number of shares in the Issue and the post Issue capital. They have also undertaken that they will issue necessary instructions to the Depositories for lock-in of these shares for three/one year as per the requirement and provide the information to the LM for disclosure in the Prospectus to be filed with ROC.

The contribution of the promoters of the Company has been brought to the extent of not less than the specified minimum lot and from persons as defined as promoters under the SEBI Regulations.

The Promoters and Directors of the Company and the LM of the Issue have not entered into any buyback or "similar" arrangement for the Equity Shares being issued through this Draft Prospectus.

Sr. No.	Name	Date of Allotment of Fully Paid up Shares	Consideration (Cash/Bonus/Kind, etc.)	No. of Equity Shares	Face Value (Rs.)	% of Post-issue paid up capital	Lock in period
1	Mr. Dalpatram J Panchal	27.03.2007	Subdivision of face value from Rs.100 to Rs.10*	203500	10	6.35%	3 Years
		27.03.2007	Allotment	140000	10		
		05.10.2007	Allotment	208000	10		
		01.11.2007	Bonus**	827250	10		
		Sub-Total		1378750			
2	Mr. Rakesh D Panchal	27.03.2007	Subdivision of face value from Rs.100 to Rs.10*	103000	10	4.85%	3 Years
		27.03.2007	Allotment	48000	10		
		05.10.2007	Allotment	2,70,000	10		
		01.11.2007	Bonus**	631500	10		
		Sub-Total		1052500			
3	Mr. Ashish D Panchal	27.03.2007	Subdivision of face value from Rs.100 to Rs.10*	145000	10	4.19%	3 Years
		27.03.2007	Allotment	48000	10		
		05.10.2007	Allotment	171000	10		
		01.11.2007	Bonus**	546000	10		
		Sub - Total		910000			

4	Mr. Hitesh D Panchal	27.03.2007	Subdivision of face value from Rs.100 to Rs.10*	145000	10	5.25%	3 Years
		27.03.2007	Allotment	48000	10		
		05.10.2007	Allotment	263000	10		
		01.11.2007	Bonus**	684000	10		
		Sub - Total		1140000			
TOTAL			4481250		20.64%		

WE CERTIFY THAT THE REGULATION 33 OF THE SEBI (ICDR) REGULATIONS, 2009 WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLES FOR COMPUTATION OF PROMOTERS' CONTRIBUTION HAS BEEN DULY COMPLIED WITH.

SEBI Regulations

- The Equity Shares to be locked-in for a period of three years have been computed as 20.64 % of Equity Share Capital after the Issue. It is confirmed that the Equity Shares offered for by the Promoters for three years lock-in are not pledged. Further all the Equity Shares, which are being locked in for 3 years, are not ineligible for computation of promoters' contribution and lock-in as per clause 33(1) of SEBI (ICDR) Regulations.
 - The Promoters and Promoter Group have vide their letter dated November 04, 2010 given their consent for lock-in of shares as stated above. The lock-in shall start from the date of allotment in the public issue and the last date of the lock-in shall be reckoned as three years from the date of commencement of commercial production or the date of allotment in the issue, whichever is later.
 - In addition to above promoters contribution which is locked in for a period of three years, the entire remaining pre-Issue Equity Capital of our Company i.e. 82,24,040 Equity Shares will be locked in for a period of one year from the date of allotment of Equity Shares in this Issue constituting 37.88 % of the post issue equity share capital of our Company.
 - In terms of regulation 39(b) of the SEBI (ICDR) Regulations, locked in Equity Shares 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 the pledge of shares is one of the terms of sanction of loan. Provided that if securities are locked in as minimum promoters' contribution under regulation 39(a) of SEBI (ICDR) Regulations, the same may be pledged only if in addition to fulfilling the above requirements, the loan has been granted by such banks or financial institution for the purpose of financing one or more of the objects of the issue.
 - In terms of Regulation 40 of the SEBI (ICDR) Regulations, Subject to the provisions of Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 1997, the specified securities held by promoters and locked-in as per regulation 36 may be transferred to another promoter or any person of the promoter group or a new promoter or a person in control of the issuer and the specified securities held by persons other than promoters and locked-in as per regulation 37 may be transferred to any other person holding the specified securities which are locked-in along with the securities proposed to be transferred:
Provided that lock-in on such specified securities shall continue for the remaining period with the transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated in these regulations has expired.
- (C)** We have complied with Regulation 32 and Regulation 33 of the SEBI (ICDR) Regulations, 2009.

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- (D) There has been no allotment of shares in terms of any scheme approved under Section 391-394 of The Companies Act, 1956.
- (E) There is no “buyback” or “standby” arrangement for purchase of Equity Shares by our Company, its Directors, its Promoters, or the LM for the Equity Shares offered through this Draft Prospectus.
- (F) Except as stated below our Company has not issued any equity shares for consideration other than cash

Date of Issue	Name of Allottees	Reason for Issue	No. of shares Issued	Benefits accrued to the Company
November 01, 2007	To all shareholders as on the Issue date.	Capitalization of Reserves & Profits through Bonus in the ratio of 3 shares for every 2 share held.	3,294,075	NIL
October 30, 2010	To all the shareholders as on the Issue date.	Capitalization of Reserves & Profits through Bonus in the ratio of 1 share for every 1 share held.	6,352,645	NIL

- (G) An over-subscription to the extent of 10% of Net Issue to the Public can be retained for the purpose of rounding off to the nearer multiple of 1, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Net Offer to Public, as a result of which, the post Issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by our Promoters and subject to lock-in shall be suitably increased, so as to ensure that 20% of the post Issue paid-up capital is locked in.
- (H) As on date of filing of this Draft Prospectus with SEBI, the entire issued share capital of our Company is fully paid-up.
- (I) Equity Shares held by Top Ten Shareholders

a. Details of Top ten shareholders of our Company as on the date of filing of this Draft Prospectus with SEBI are as follows:

Sr. No	Name of Shareholder	Number of Equity Shares	% of shares to Pre-Issue Share capital
1	Dalpatram Jethalal Panchal	2978820	23.45%
2	Hitesh Dalpatram Panchal	2630660	20.71%
3	Ashish Dalpatram Panchal	2614310	20.57%
4	Rakesh Dalpatram Panchal	2414000	19.00%
5	Sunita Dalpatram Panchal	517500	4.07%
6	Aruna Rakesh Panchal	500000	3.94%
7	Heena Ashish Panchal	500000	3.94%
8	Deena Hitesh Panchal	500000	3.94%
9	Dinesh Shantilal Sheth	20000	0.15%
10	Bharti & Dinesh Sheth	30000	0.23%
	TOTAL	12705290	100.00%



- b. Details of Top ten shareholders of our Company as on ten days prior to the date of filing of this Draft Prospectus with SEBI are as follows:

Sr. No.	Name of Shareholder	Number of Equity Shares	% of shares to Pre-Issue Share capital
1	Dalpatram Jethalal Panchal	2978820	23.45%
2	Hitesh Dalpatram Panchal	2630660	20.71%
3	Ashish Dalpatram Panchal	2614310	20.57%
4	Rakesh Dalpatram Panchal	2414000	19.00%
5	Sunita Dalpatram Panchal	517500	4.07%
6	Aruna Rakesh Panchal	500000	3.94%
7	Heena Ashish Panchal	500000	3.94%
8	Deena Hitesh Panchal	500000	3.94%
9	Bharti & Dinesh Sheth	30000	0.23%
10	Dinesh Shantilal Sheth	20000	0.15%
	TOTAL	1270529	100.00%

- c. Details of Top ten shareholders of our Company as on two years prior to the date of filing of this Draft Prospectus with SEBI are as follows:

Sr. No.	Name of Shareholder	Number of Equity Shares	% of shares to Pre-Issue Share capital
1	Dalpatram Jethalal Panchal	1392810	21.92%
2	Hitesh Dalpatram Panchal	1261580	19.86%
3	Ashish Dalpatram Panchal	1253530	19.73%
4	Rakesh Dalpatram Panchal	1175750	18.51%
5	Sunita Dalpatram Panchal	258750	4.07%
6	Aruna Rakesh Panchal	250000	3.94%
7	Heena Ashish Panchal	250000	3.94%
8	Deena Hitesh Panchal	250000	3.94%
9	Gopal Hiralal Sura	62500	0.98%
10	Sura Gopal Hiralal(HUF)	37500	0.59%
	TOTAL	6192420	97.48%



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(J) OUR SHARE HOLDING:

Set forth below is the shareholding pattern of our Company pre public Issue and Post Public Issue

Name of Shareholder	Pre-Issue		Post-Issue	
	Number of Shares	% Holding	Number of Shares	% Holding
PROMOTER GROUP				
Promoter (A)				
Mr. Dalpatram Panchal	29,78,820	23.45	29,78,820	13.72
Mrs. Sunita D Panchal	5,17,500	4.07	5,17,500	2.38
Mr. Rakesh D Panchal	24,14,000	19.00	24,14,000	11.12
Mr. Ashish D Panchal	26,14,310	20.58	26,14,310	12.04
Mr. Hitesh D Panchal	26,30,660	20.71	26,30,660	12.12
Total (A)	1,11,55,290	87.80	1,11,55,290	51.39
Promoter Group (B)				
Mrs. Aruna R Panchal	5,00,000	3.94	5,00,000	2.30
Mrs. Heena A Panchal	5,00,000	3.94	5,00,000	2.30
Mrs. Deena H Panchal	5,00,000	3.94	5,00,000	2.30
Total (B)	15,00,000	11.80	15,00,000	6.91
Total Promoter Group Holding (A)+(B)=(C)	1,26,55,290	99.60	1,26,55,290	58.30
Others (D)				
Mr. Dinesh Sheth	20,000	0.15	20,000	0.09
Mrs. Bharti & Mr. Dinesh Sheth	30,000	0.24	30,000	0.14
PUBLIC ISSUE	-	-	90,00,000	41.46
Total (D)	50,000	0.39	90,50,000	41.69
TOTAL (C+D)	1,27,05,290	100.000	2,17,05,290	100.00

- (K) As on the date of this Draft Prospectus, there are no outstanding warrants, options or rights to convert debenture, loans or other financial instruments into Equity Shares of our Company. The shares locked in by Promoters are not pledged to anyone.
- (L) Our Promoters/ Promoter Group/Directors have not purchased / sold / financed / acquired any shares of our Company during the past 6 months except for shares acquired by reason of fresh allotments made by the Company.
- (M) Our Company has not raised any bridge loan against the proceeds of the present issue. For details on use of proceeds, see the section titled “Objects of the Issue” beginning on Page No. 59 of this Draft Prospectus.
- (N) There would be no further issue of capital in any manner whether by way of issue of bonus shares, preferential allotment, rights issue, public issue or otherwise during the period commencing from submission of this Draft Prospectus with SEBI till the Equity Shares offered through the Prospectus have been listed.
- (O) At present, our Company does not have any intention or proposal to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split/consolidation of the denomination of

Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise except, or if our Company go for acquisitions and joint ventures, our Company may consider raising additional capital to fund such activity or use shares as currency for acquisition and / or participation in such joint venture.

- (P)** Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
- (Q)** Our Company has not issued any shares out of revaluation reserves.
- (R)** At any given point of time, there shall be only one denomination for the Equity Shares of our Company, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms specified by SEBI from time to time.
- (S)** Our Company has Ten Shareholders as on the date of filing of this Draft Prospectus with SEBI.
- (T)** Our Company has not revalued its assets.
- (U)** Our Company has not made any equity issue at a price lower than the issue price during the preceding one year except the Issue of bonus Share by way of capitalization of Reserve & Surpluses.
- (V)** An investor cannot make application for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
- (W)** Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in Para on “Basis of Allotment” appearing on Page No. 231 of this Draft Prospectus.

3.5. OBJECTS OF THE ISSUE

Rationale for the Issue

Our Company is presently engaged into the business of fabrication (i.e. building of machines, structures, or process equipment as required, by cutting, shaping and assembling components made from raw materials). We manufacture spares, channel heads, tube sheets, tube bundles, pressure vessels, storage vessels, tanks, heat exchangers, distillation and absorption columns. We intend to set up a new manufacturing unit at Umbergaon, Gujarat, which will house latest machineries like a plate bending machine, a tube sheet drilling machine, SAW machines with motorized rotators and electrically operated cranes. These automated machineries will facilitate us in handling larger and/or heavier materials as well as work on it with better precision, thereby enhancing our efficiency and enabling greater cost controls. Also, another rationale for the issue is to get the Equity shares of our Company listed on BSE and NSE

The proceeds from the proposed Issue of shares are intended to be deployed for:

1. Land and Site Development (Land Already Acquired)
2. Building & Other Civil Works
3. Plant and Machineries
4. Miscellaneous Fixed Asset
5. Provision for Contingencies
6. Preliminary & Capital Issue Expenses
7. Working Capital Margin Requirements
8. To get Our Equity share Listed on BSE & NSE

Objectives and Rationale for the expansion

1. Expand aggregate lifting capacity to 125 tonnes from prevailing 27 tonnes;
2. Enhance in-house facilities for rolling plates up to 100 mm thickness from 25 mm thickness currently;
3. Establish and enhance in-house facilities for precision drilling, moulding and heat treatment of equipments;
4. Enhance in-house capabilities for machining of equipments with diameter of more than 1,250 mm
5. Reduce our dependence on job-workers significantly;
6. Ability to handle larger and/or heavier material as well as work with better precision;
7. Enhance efficiency and thereby facilitate greater cost control by use of latest automated machineries

The main objects clause and the objects incidental or ancillary to the main objects clause of the Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised through this Issue.

Fund Requirements

The details of fund requirement for objects mentioned above are given in the following table:

(Rs. In Lakhs)

Sr. No.	Particulars	Amount
1	Land, site development, Building Construction & other civil works (for setting up new manufacturing facility)	1,903.75
2	Plant & Machinery	2,818.94
3	Miscellaneous – Fixed Assets	322.28
4	Preliminary and Capital Issue Expenses	372.30
5	Contingencies @ 7.5%	378.40
6	Working Capital Margin	400.00
	Total	6,195.67

1. LAND & SITE DEVELOPMENT AND BUILDING & OTHER CIVIL WORKS

The aggregate cost of setting up land & site development and building & civil works is estimated at Rs. 1,903.75 lakhs (includes the cost of land, which has already been acquired), as per the break-up given below:

(Rs. In Lakhs)

Sr. No.	Particulars	Amount	Amount
	Land & Site Development		594.88
1.a	Land (already acquired from internal accruals)	345.67	
1.b	Site Development	249.21	
	Building & other civil works		1,308.87
1.c	Civil Works	611.35	
1.d	Factory Shed	697.52	
	TOTAL		1,903.75

DETAILED COST OF THE PROJECT

Land & Site Development

a. Land

Our Company intends to establish the new unit in Umbergaon and has already acquired a plot of 54,981 sq. mtrs of land at Khata no.155, Village Palgam, Taluka Umbergaon, District Valsad, Gujarat State. This land was earlier registered as an agricultural land. Received Letter dated October 3, 2009 with Ref No. CB/NA/Reg. No. 14/08/ws.2513 RE 2522 from Office of the Collector, Valsad certifying the use of the land for Bonafide Industrial Purpose. We had entered into a registered conveyance deed with Mr. Prabhodh Sanjanwala, Mr. Shirish Sanjanwala, Mr. Kamal Sanjanwala and Mr. Shyam Sanjanwala for the said land on February 5, 2008. The total cost of land including registration and other costs is Rs. 345.67 lakhs, which our Company has already paid from our internal accruals. None of the above transferors are related to any of our promoters/directors in any capacity. Further, the above land has clear title and is free from all encumbrances.



b. Site Development

As per estimate received from the M/s Architects Nook Private limited, vide their letter dated August 10, 2010, the cost of site development for the above land is estimated at Rs. 249.21 lakhs which includes land filling, construction of compounds walls, road, gardening and landscaping and plot lighting. The breakup of the cost of the site development is as follows:

Sr. No.	Key site development activities	Quantity/Unit	Rate/Unit	Amount (Rs. in Lakhs)
1	Entrance culvert	100 / Sq. mtrs	2,300 / Sq. mtrs	2.30
2	Land filling	53,290 / Cu. mtrs	200 / Cu. mtrs	106.58
3	Compound wall with stone masonry retaining wall	339 / rmt	9,860 / rmt	33.43
4	Compound wall with RCC retaining wall	338 / rmt	13,140 / rmt	44.41
5	Entrance gate	12 / rmt	6,570 / rmt	0.79
6	Asphalt roads	2,965 / Sq. mtrs	720 / Sq. mtrs	21.35
7	Interlocking paver block for pathway	773 / Sq. mtrs	610 / Sq. mtrs	4.72
8	RCC gutter	470 / rmt	3,070 / rmt	14.42
9	Land escaping, gardening	3,250 / Sq. mtrs	220 / Sq. mtrs	7.15
10	Plot lightening	40 / Nos.	5,480 / Nos.	2.19
	Sub-Total			237.34
Add:	Contingencies @ 5%			11.87
	Total			249.21

Building Construction & Other Civil Works

c. Civil Works

As per estimate received from the M/s Architects Nook Private limited, vide their letter dated August 10, 2010, the cost of civil works for the above land is estimated at Rs. 611.35 lakhs which includes construction of main structures and ancillary structures. The breakup of the cost of the civil work is as follows:

Sr. No.	Key Site development activities	Quantity /Unit	Rate/Unit	Amount (Rs. in Lakhs)
1	Temple	15.30 Sq. Mtrs	10,400/Sq. Mtrs	1.59
2	Security and Time Keeper Cabins	105 Sq. Mtrs	9,090/Sq. Mtrs	9.54
3	Civil work for 100 tonnes electronic weigh bridge	50 Sq. Mtrs	4,930/Sq. Mtrs	2.47
4	Transformer yard	25 Sq. Mtrs	1,650/Sq. Mtrs	0.41
5	Civil work, DG shed and panel room	75 Sq. Mtrs	4,380/Sq. Mtrs	3.29
6	Workers canteen and executive dining	520 Sq. Mtrs	8,980/Sq. mtrs	46.70
7	Workers quarters	900 Sq. Mtrs	5,480/Sq. mtrs	49.32
8	Underground water tank	1,00,000 Litres	10 Litres	10.00

9	Administrative block	750 Sq. Mtrs	10,400/Sq. mtrs	78.00
10	Elevation canopy and landscaping	Lumpsum	Lumpsum	4.40
11	Plinth and civil work in factory shed	7,052 Sq. Mtrs	4,710/Sq. Mtrs	332.15
12	Exotic fabrication shed	450 Sq. Mtrs	4,930/Sq. Mtrs	22.18
13	Machining Workshop	450 Sq. Mtrs	4,930/Sq. Mtrs	22.19
	Sub-Total			582.25
Add:	Contingencies @ 5%			29.11
	Total			611.35

d. Factory Shed

We have received quotation from M/s Architects Nook Private Limited dated August 10, 2010 for structural work for structural work for our new unit's factory shed. This work shop is to be constructed as per the technical specification given by our Company to the vendor for which the estimated cost is Rs. 697.52 lakhs.

2. PLANT AND MACHINERY

The proposed plant and machineries for setting up manufacturing facilities at Umbergaon is proposed to be purchased from various indigenous and international suppliers/manufacturers. The cost of plant & machinery is estimated at Rs. 2,818.94 lakhs. We have estimated these requirements based on quotations and prevailing market prices of manufacturers/suppliers of equipments. The plant & machineries required for setting up manufacturing facilities are given below:

Sr. No.	Proposed Expenditure Programme	Amount (Rs. in Lakhs)
1	Indigenous (excluding duties and taxes)	2,251.11
2	Imported	567.83
	Total Cost	2,818.94

a. Indigenous Machinery

The details of indigenous machinery for the new unit and their costs are as follows:

Sr. No	Equipment	Supplier	Quantity	Per Unit Cost (Rs. in Lakhs)	Total Cost (Rs. in Lakhs)	Quotation Date
1	Articulated Hydraulic Mobile Crane	Action Construction Equipment Limited	2	9.20	18.40	26 th August, 2010
2	Pneumatic Angle Grinder (Model AG-41 G)	S.S. Tools (India) Pvt. Ltd.	20	0.16	3.20	15 th August, 2010
3	Heavy Duty Industrial Die Grinder	S.S. Tools (India) Pvt. Ltd.	10	0.05	0.50	15 th August, 2010
4	Pneumatic Angle Grinder (Model AG-36 G)	S.S. Tools (India) Pvt. Ltd.	15	0.07	1.05	15 th August, 2010
5	Vertical sanders & grinder (Pneumatic Die Grinder)	S.S. Tools (India) Pvt. Ltd.	8	0.02	0.16	15 th August, 2010



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Sr. No	Equipment	Supplier	Quantity	Per Unit Cost (Rs. in Lakhs)	Total Cost (Rs. in Lakhs)	Quotation Date
6	Heavy Duty Verticle Polisher / Sander	S.S. Tools (India) Pvt. Ltd.	20	0.08	1.60	15 th August, 2010
7	Orbital Tig Welding Machine	Apex Engineers	4	14.60	58.40	24 th August, 2010
8	Tube-to-Tube Sheet TIG Welding Flexible Heads (model P 20)	Apex Engineers	2	14.83	29.66	24 th August, 2010
9	Orbiweld 115 enclosed weld head with remote control and long cable	Apex Engineers	2	9.10	18.20	24 th August, 2010
10	Collect Set for above 2 sets, Manderls for 7.5mm – 10mm, Trolley, Ruggedized enclosure	Apex Engineers	1 Lot	1.20 0.75 0.13 1.88 2.41	6.37	24 th August, 2010
11	D G Set (750 KVA)	Sudhir Gensets Ltd.	1	54.44	54.44	14 th August, 2010
12	Horizontal Boring Machine and Optional Accessories	Emtex Machinery Pvt. Ltd.	1	64.68 7.32	72.00	25 th August, 2010
13	Radial Drilling Machine	Emtex Machinery Pvt. Ltd.	1	11.80	11.80	25 th August, 2010
14	Hydraulic Cylinder	Flow Control	1	30.15	30.15	25 th August, 2010
15	Hydraulic Cylinder Press	Management Estimates*	1	20.00	20.00	26 th August, 2010
16	Heat Treatment Furnace	Management Estimates*	1	32.90	32.90	26 th August, 2010
17	Heat Treatment Furnace	Management Estimates*	1	38.50	38.50	26 th August, 2010
18	Heat Treatment Furnace	Management Estimates*	1	29.00	29.00	26 th August, 2010
19	Portable Hardness Tester (Model : TH – 130)	Heat Treatment Sales & Services	5	0.53	2.65	2 nd September, 2010
20	Portable Hardness Tester (Model : TH – 160)	Heat Treatment Sales & Services	6	0.95	5.70	2 nd September, 2010
21	Hydraulic Plate Bending Machine (Model: PSN/30)	Himalaya Machinery Pvt. Ltd.	1	342.64	342.64	14 th August, 2010
22	Hydraulic Plate Bending	Himalaya	1	93.11	93.11	14 th August,



Sr. No	Equipment	Supplier	Quantity	Per Unit Cost (Rs. in Lakhs)	Total Cost (Rs. in Lakhs)	Quotation Date
	Machine (Model: PMN/30)	Machinery Pvt. Ltd.				2010
23	Radial Drilling Machine	HMT	2	12.35	24.70	5 th September, 2010
24	Milling Machine	HMT	1	11.15	11.15	5 th September, 2010
25	High Speed Precision Lathe	HMT	2	14.63	29.27	5 th September, 2010
26	Heavy Duty Centre Lathe	HMT	1	53.29	53.29	5 th September, 2010
27	Air Compressor Assembly	Horizon Airtech	4	28.87	115.48	20th August, 2010
28	Air Dryer	Horizon Airtech	1	5.90	5.90	20th August, 2010
29	Submerged Arc Welding Set	Miraj Electrical & Mechanical Co.	7	4.25	29.75	11th August, 2010
30	Columns and Booms (3.5M * 4.3M)	Miraj Electrical & Mechanical Co.	4	10.98	43.92	11th August, 2010
31	Columns and Booms (5M * 6M)	Miraj Electrical & Mechanical Co.	8	15.10	120.80	11th August, 2010
32	Self Aligning Rotators (MSAR 10 Tons)	Miraj Electrical & Mechanical Co.	8	5.10	40.80	11th August, 2010
33	Self Aligning Rotators (MSAR 25 Tons)	Miraj Electrical & Mechanical Co.	4	6.30	25.20	11th August, 2010
34	Self Aligning Rotators (MSAR 60 Tons)	Miraj Electrical & Mechanical Co.	4	9.10	36.40	11th August, 2010
35	Self Aligning Rotators (MSAR 100 Tons)	Miraj Electrical & Mechanical Co.	3	17.40	52.20	11th August, 2010
36	Horizontal Metal Cutting Bandsaw, along with requisite accessories	Mistry Laxman Kadwa Machines (P) Ltd.	2	5.73	11.46	9th August, 2010
37	Tig Welding Machine	Nivek Agencies	4	4.12	16.48	8th September, 2010
38	Mig Welding Machine	Nivek Agencies	2	1.34	2.68	8th September, 2010



GEMINI ENGI-FAB LIMITED

Sr. No	Equipment	Supplier	Quantity	Per Unit Cost (Rs. in Lakhs)	Total Cost (Rs. in Lakhs)	Quotation Date
39	Welding Rectifier	Nivek Agencies	20	1.38	27.60	8th September, 2010
40	Heavy Duty S.S. & S.C. Lathe	Parksons Engineering Corporations	1	44.45	44.45	9th August, 2010
41	Hydraulic Torque Wrench	Pioneer Intertrade	2	6.95	13.90	6 th September, 2010
42	Bevelling Machine	Pioneer Intertrade	1	14.34	14.34	6th September, 2010
43	Portable Magnetic Drilling Machine	Pioneer Intertrade	1	0.90	0.90	6th September, 2010
44	Hydro Test System	Pressure Jet Systems Pvt. Ltd.	3	2.62	7.86	10th August, 2010
45	Bare Pump	Pressure Jet Systems Pvt. Ltd.	2	1.30	2.60	10th August, 2010
46	Lift EOT Crane (15 tonnes, 18 mts. Span)	Demag Cranes & Component	2	58.63	117.26	12 th June, 2010
47	Lift EOT Crane (25 tonnes, 16 mts. Span)	Demag Cranes & Component	2	59.55	119.10	12th June, 2010
48	Lift EOT Crane (50 tonnes, 20 mts. Span)	Demag Cranes & Component	2	156.10	312.20	12th June, 2010
49	Lift EOT Crane (10 tonnes, 16 mts. Span)	Demag Cranes & Component	1	31.81	31.81	12th June, 2010
50	Lift EOT Crane (5 tonnes, 12 mts. Span)	Electromech	2	14.68	29.36	12th June, 2010
51	Airless Spray Painting Equip (Type: Tiger 40.110)	VR Coatings Pvt. Ltd.	1	1.16	1.16	9 th August, 2010
52	Airless Spray Painting Equip (Type: Rhino 55.275)	VR Coatings Pvt. Ltd.	1	1.78	1.78	13th August, 2010
53	Hydraulic Pallets	Yash Engineers	10	0.16	1.60	20 th August, 2010
54	Miscellaneous Items					
	315 KVA Transformers	PACTIL	2	2.90	5.80	1st September, 2010

Sr. No	Equipment	Supplier	Quantity	Per Unit Cost (Rs. in Lakhs)	Total Cost (Rs. in Lakhs)	Quotation Date
	Mitutoyo-make Portable Tester & accessories	Bombay Tools Supplying agency	1	2.93	2.93	9th August, 2010
	Fume Extraction System	Mogora Cosmic	2	3.08	6.16	9th September, 2009
	Horizontal Boring Machine	Kamla Foundry	1	16.50	16.50	15th December, 2009
	Model Ostrich 200 P Cutting Machine	SEC Machine	2	1.95	3.90	No Date
Gross Total**					2,251.11	

* To be fabricated by our Company

** The total amount as stated is exclusive of duties and taxes. As per management estimates, the duties and taxes for the plant and machinery would be approximately Rs.450.00 lakhs. Further, cost relating to loading, unloading, freight, octroi, erection and installation is expected at 2% of total cost which works out to Rs.54.00 lakhs.

b. Imported Machinery

Our Company would like to buy imported machinery for the process of drilling machines for tube sheet from Korea and quotation received dated 19th August, 2010 from Prime Machine Tools for model no. DMBC - 1000 CNC is US \$ 778,800 converted to Indian Rs. 370.74 lakhs as per (USD = 47.60 INR as on 8th September, 2010). Customs duties and other duties were estimated at approx. 34% of the cost of Material, which is around Rs. 126.05 lakhs. Erections charges are estimated at Rs. 15 lakhs. Thus, total cost of imported machinery is estimated to be Rs. 511.79 lakhs.

Also, as per quotation received dated 8th September, 2010, for Hungary-made Radial Drilling Machine Model No. BH 75/2000 from Synergic Technical Solutions is Euro 65,607 converted to Indian Rs. 39.364 lakhs as per (Euro = 60.0 INR as on 8th September, 2010). Customs duties and other duties were estimated at approx. 34% of the cost of Material, which is around Rs. 13.38 lakhs. Erections charges are estimated at Rs. 3.30 lakhs. Thus, total cost of imported machinery is estimated to be Rs. 56.04 lakhs.

Thus, total cost of imported machinery is estimated to be Rs. 567.83 lakhs.

MISCELLANEOUS FIXED ASSETS

3. Electric Installations, Interior Designing & other Fixed Assets

We would incur Rs. 322.28 lakhs on electric installations, furniture and other assets. The estimated cost including the cost of HT and LT installations, computers, furniture and vehicles are set forth in the following capital expenditure plan.



GEMINI ENGI-FAB LIMITED

Sr. No.	Proposed expenditure Programme	Amount (Rs. in Lakhs)
1	Electric installations	164.71
2	Interior designing	84.52
3	Cost of other fixed assets	73.05
	Total Cost	322.28

a. Electric Installations

As per estimate received from Subaash Electrical Private Limited, vide their letter dated 7th September, 2010 the cost of HT and LT installations is estimated at Rs. 158.15 lakhs, while as per the estimate received from Gurukrupa Electricals, vide their letter dated 1st September, 2010, other related cost of electric installations is estimated at Rs. 6.56 lakhs. The details are as follows:

Sr. No.	Proposed expenditure Programme	Amount (Rs. in Lakhs)
1	HT Electrical Installation Works	62.00
2	LT Electrical Installation Works	96.15
3	Miscellaneous related charges	6.56
	Total Cost	164.71

b. Interior designing

As per estimate received from Rashmin Vadgama, Interior Designer, vide their letter dated 25th August, 2010 the cost of furniture, fixture and other installations is estimated at Rs. 84.52 lakhs which includes work at administration building, staff quarters, canteen, security cabin.

c. Other Fixed Assets

The total cost of other fixed assets is estimated at Rs. 73.05 lakhs, details of which are as under:

Sr. No	Equipment	Supplier	Quantity	Unit Cost (Rs. in Lakhs)	Total Cost (Rs. in Lakhs)	Quotation Date
1	Computers, laptops, printers and other installations	Newel Computers	-	-	24.54	14 th September, 2010
2	Air Conditioners (including installation charges)	A2 Air Conditioning Co.	43	0.41	17.97	5 th September, 2010
3	Vehicles	Toyota Lakozy Auto Pvt. Ltd.	2	15.27	30.54	8 th September, 2010
	Total Cost				73.05	

PRELIMINARY & CAPITAL ISSUE EXPENSES

The Preliminary & Capital Issue Expenses have been projected at Rs.372.30 Lakhs which includes the expenses related to the increase in the authorized share capital of the Company and Capital Issue Expenses for IPO amounting to Rs 363.84 Lakhs @ 6.22% of the issue.

Sr. No.	Particulars	Amount (Rs. In lakhs)
1	RoC fees and stamp duty towards the increase in the Authorized Share capital of the company	8.46
2	Capital issue expenses for IPO amounting to Rs. 58.50 Crores @ 6.22%	363.84
	Total	372.30

PROVISION FOR CONTINGENCIES

The company expects that, it may incur additional cost of around Rs. 378.40 Lakhs @ 7.5% of total project cost on account of contingencies within the total project cost.

WORKING CAPITAL MARGIN

Particulars	Existing	Proposed	Total
Inventories	1576.55	635.95	2212.50
Sundry Debtors	2432.93	856.70	3289.63
Loans and Advances	291.76	459.12	750.88
Cash and Bank balances	170.26	31.74	202.00
TOTAL (A)	4471.50	1983.51	6455.01
Current Liabilities consisting of Sundry creditors, advances from parties other trade expenses and dues payable	1967.39	333.51	2301.00
TOTAL (B)	1967.39	333.51	2301.00
Net Current Assets (A)-(B)	2504.01	1650.00	3454.01
Installment due in the next year	34.00	-	34.00
Working capital Gap	2470.01	950.00	3420.01
Working capital Limit	950.00	700.00	1500.00
Margin for working capital	650.00	400.00	1050.00

Infrastructure Facilities

Manpower Requirement

Post completion of the project we would have an additional manpower requirement of 115 employees comprising of skilled, semi-skilled, administrative and factory staff. The structure of the employees, post issue would be as under:



GEMINI ENGI-FAB LIMITED

Category	No of Employees		
	Present*	Proposed	TOTAL
Administrative Staff	16	25	41
Factory staff	5	20	25
Skilled workers	3	35	38
Semi-Skilled workers	3	35	38
	27	115	142

* Our company has not made any ESIC payments for the year 2006- 2007. Even as on date the company is extending the ESIC benefit to 10 employees out of a total strength of 27

Power Requirement:

The company would have a requirement of 475 KVA post completion of the project. The company is yet to obtain the requisite approvals from the concerned authorities. Also the company is in the process of installing DG sets for additional power of around 350 KVA.

Water Requirement:

25 kilo litres per day will be required at the works and same will be drawn from in house borewell which shall be sufficient to meet its requirements.

Environmental Aspects:

The project is being implemented at an industrial area which is being developed by Gujarat Industrial Development Corporation. This area shall have a common system of effluent disposal for all units as well as solid waste disposal system. Hence the environmental aspects shall be automatically taken care of. However, if there are any approvals or clearances that need to be taken, then we shall duly and promptly apply for same

Obtained Letter dated October 3, 2009 with Ref No. CB/NA/Reg. No. 14/08/ws. 2513 RE 2522 from Office of the Collector, Valsad to our Company certifying use of the land (situated at Survey no. 62 Paiki 3, Survey No. 147 Paiki 5 and Survey No. 148, all under Khata No. 155, Village Palgam, Taluka Umbergaon, District Valsad) for Bonafide Industrial Purpose.

Gujarat Pollution Control Board has given its consent for use of outlet of Company situated at Plot No. 1504-1506, GIDC, Umbergaon, Dist. Valsad, Gujarat, for the discharge of trade effluent & emission due to operation of industrial plan for manufacturing of product of our Company as per Consent Order No. 10124 dated August 29, 2008 with validity period up to July 16, 2013.

MEANS OF FINANCE

Our Company is planning to raise Rs. 5,850.00 Lakhs through the proposed Initial Public Offer. It does not envisage borrowing for the purpose of this project.

(Rs. In Lakhs)

Means of Finance	Amount
Proceeds of the Issue	5,850.00
Internal Accrual (Land for the proposed project already acquired)	345.67
Total	6195.67

The fund requirements and the intended use of the net proceeds as described herein are based on management estimates and various quotations received by us from different suppliers. Our project has not been appraised by any bank or financial institution or any independent organization. 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 or revising the planned expenditure 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 the expansion project as described herein are based on management's current expectations and are subject to change due to various factors, some of which may not be in our control.

APPRAISAL

The fund requirements and the funding plans are as per our management's estimates, and have not been appraised by any bank / financial institution.

IMPLEMENTATION SCHEDULE -

The envisaged implementation schedule of the project is tabulated below:-

Sr. No.	Activities	Commencement (Month, Year)	Completion (Month, Year)
1.	Acquisition of Land	Already acquired	Already acquired
2.	Building Construction & others Civil Work	Feb, 2011	April, 2011
	Factory	March, 2011	May, 2011
	Auxiliary	March, 2011	May, 2011
3.	Plant & Machinery		
	Order to be placed	March, 2011	May, 2011
	Delivery	August, 2011	September, 2011
4.	Miscellaneous Fixed Assets		
	Order to be placed	April, 2011	June, 2011
	Delivery	July, 2011	September, 2011
5.	Erection of Equipment	August, 2011	October, 2011
6.	Commissioning	August, 2011	October, 2011
7.	Pre-load Sanction (Power)	Yet to be Obtained	Yet to be Obtained
8.	Environmental Clearance	Yet to be Obtained	Yet to be Obtained
9.	Trial Run	N.A.	N.A.
10.	Commercial Production	November, 2011	

PRESENT STATUS OF THE PROJECT

The implementation activities in the project are in progress. Our Company intends to establish the new unit in Umbergaon and has already acquired a plot of 54,981 sq. mtrs of land at Khata no.155, Village Palgam, Taluka Umbergaon, District Valsad, Gujarat State. The Company has received quotation from various suppliers for our proposed project plant & Machineries



GEMINI ENGI-FAB LIMITED

DEPLOYMENT OF FUNDS

The details of the sources of funds and the deployment of these funds on the project upto October 26, 2010, as certified by a Chartered Accountant are given as below:

Our Company has already incurred Rs. 345.67 lakhs, in relation to acquisition of land for the proposed project, which was funded using internal accruals.

Application of Funds

(Rs. In Lakhs)

Sr. No.	Particulars	Budgeted	Already Incurred	To Be Incurred
1	Land & Site Development	594.88	345.67	249.21
2	Building & Civil Construction	1,308.87		1,308.87
3	Plant & Machinery			
	- Imported	567.83		567.83
	- Indigenous	2,251.11		2,251.11
4	Misc. Fixed Assets	322.28		322.28
5	Preliminary & Capital Issue Expenses	372.30		372.30
6	Provision for Contingencies	378.40		378.40
7	Margin for Working Capital	400.00		400.00
	Total	6,195.67	345.67	5,850.00

Sources of Funds

(Rs. In Lakhs)

Sr. No.	Particulars	Budgeted	Already Incurred	To Be Incurred
1	Proceeds from the IPO	5,850.00	-	5,850.00
2	Internal Accruals (Land, already acquired)	345.67	345.67	-
	Total	6,195.67	345.67	5,850.00

Year Wise Break up of Expenditure

(Rs. In Lakhs)

Sr. No.	Particulars		Amount to be Spent BUDGETED	Amount Spent ALREADY INCURRED	Amount to be spent in F.Y. 2010-11 TO BE INCURRED	Amount to be spent in F.Y. 2011-12 TO BE INCURRED
1	Land & Site Development		594.88	345.67	249.21	-
2	Building & Civil Construction		1,308.87	-	1,308.87	-
3	Plant & Machinery					
	- Imported		567.83	-	567.83	-
	- Indigenous		2,251.11	-	2,251.11	-
4	Misc. Fixed Assets		322.28	-	-	322.28
5	Preliminary & Capital Issue Expenses		372.30	-	-	372.30
6	Provision for Contingencies		378.40	-	-	378.40
7	Margin for Working Capital		400.00	-	-	400.00
	Total		6,195.67	345.67	4,377.02	1,472.98

INTERIM USE OF FUNDS

Pending utilization for the purposes described above, we intend to invest the funds in high quality interest bearing deposits with banks for the necessary duration. In case the Issue does not go as planned or there is any shortfall in the issue proceeds, we will make alternative arrangements like availing of fresh loans and/or internal accruals to meet the shortfall, if any.

MONITORING OF ISSUE PROCEEDS

Audit Committee of Board of Directors will monitor the utilization of the Issue proceeds. We will disclose the utilization of the Issue proceeds under separate head in our Balance Sheet for the Financial Year 2011-12.

3.6. BASIC TERMS OF ISSUE

The Equity Shares, now being offered, are subject to the terms and conditions of this Draft Prospectus, the Application form, the Memorandum and Articles of Association of our Company, the guidelines for listing of securities issued by the Government of India and SEBI (ICDR) Regulations, 2009, the Depositories Act, BSE, RBI, ROC and/or other authorities as in force on the date of the Issue and to the extent applicable.

In addition, the Equity Shares shall also be subject to such other conditions as may be incorporated in the Share Certificates, as per the SEBI (ICDR) Regulations, 2009 notifications and other regulations for the issue of capital and listing of securities laid down from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Equity Shares.

Pursuant to the resolution passed by the Board of Directors of our Company at its meeting held on October 1, 2010 and the shareholders approval obtained at its Extra Ordinary General Meeting dated October 4, 2010 it has been decided to make the following offer to the public.

Face Value	Each Equity Share shall have the face value of Rs. 10/- each.
Issue Price	Each Equity Share is being offered at a price of Rs. 65/- each.
Market Lot and Trading	The Market lot and Trading lot for the Equity Share is 1 (One) and the multiple of 1; subject to a minimum allotment of 100 Equity Shares to the successful applicants.
Terms of Payment	100% of the issue price of Rs. 65/- shall be payable on Application. For details, refer Section titled "Terms of the Issue" on Page No 220 of this Draft Prospectus.
Ranking of the Equity Shares	The Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividends with the existing Equity Shares of the Company.

MINIMUM SUBSCRIPTION

If we do not receive the minimum subscription of 90% of the Issue to the Public, we shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after we become liable to pay the amount, we shall pay interest prescribed under Section 73 of the Companies Act, 1956.

Our Company undertakes that:

- (i) "If the Company does not receive the minimum subscription of ninety per cent of the offer through offer document on the date of closure of the Issue, or if the subscription level falls below ninety percent after the closure of issue on account of cheques having being returned unpaid or withdrawal of applications, our Company shall forthwith refund the entire subscription amount received."
- (ii) "If the Company fails to refund the entire subscription amount within fifteen days from the date of the closure of the issue, it is liable to pay the amount with interest to the subscribers at the rate of fifteen percent per annum for the period of delay."

3.7. BASIS FOR ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the Key Business Strengths. The face value of the Equity Shares is Rs. 10 and Issue Price is Rs. 65 per Equity Shares and is 6.5 times the face value.

Investors should read the following summary with the risk factors beginning from Page No. 10 of this Draft Prospectus, Section titled “About the Company” on Page No. 90 and “Financial information of the Company” on Page No. 153 of this Draft Prospectus. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

QUALITATIVE FACTORS

We believe that the following business strengths allow us to successfully compete in the Fabrication Industry;

- Long standing relationship with Our Clients
- Multi product capability
- Experienced Management
- Catering to multiple and diverse industries
- ISO 9001: 2008
- Easy availability of Raw Material
- Availability of skilled and cheap labour

For details in respect of our qualitative factors, please refer to paragraph “Key Business Strengths” appearing on Page No. 118 of this Draft Prospectus.

QUANTITATIVE FACTORS

Adjusted Earning Per Equity Share

Financial Year	EPS (Rs.)	Weight Used
2007-08	7.53	1.00
2008-09	(0.85)	2.00
2009-10	4.74	3.00
Weighted Average	3.34	
<i>Half Year ended 30/09/2010 (Un-annualized)</i>	<i>2.87</i>	

Source: Auditor’s Report, Restated Accounts

**GEMINI ENGI-FAB LIMITED**

Price Earnings Ratio (P/E) in relation to the Issue price of Rs. 65/- per share

Particulars	P/E Ratio
Based on EPS for Year ended March 31, 2010	13.71
Based on Weighted Average EPS	19.45
Based on Un-annualized EPS of Rs. 2.87 for Half Year Ended 30/09/2010	22.64
<i>Industry P/E</i>	
Highest – Artson Engineering	48.96
Lowest – Patels Airtemps	5.94
Industry Composite	19.29

Source: Capital Markets, Vol. XXV/16 dated Oct 04-17, 2010.

Return on Net worth

Financial Year	Return on Net Worth (%)	Weight Used
2007-08	31.54	1.00
2008-09	(4.08)	2.00
2009-10	18.56	3.00
Weighted Average	13.17	
<i>Half Year ended 30/09/2010 (Un-annualized)</i>	<i>10.14</i>	

Source: Auditor's Report, Restated Accounts

Minimum Return on Post Issue Net Worth required to maintain Basic EPS at Rs. 4.74 (Pre-issue EPS for March 31, 2010) is 13.77 %.

Particulars	Amount
Pre - Issue Net worth as on 31.3.2010 (Rs. In lakhs)	1,623.30
Size of the Issue (Including Premium) (Rs. In lakhs)	5,850.00
<i>Post Issue Net worth (Rs. In lakhs)</i>	<i>7,473.30</i>
Required EPS	4.74
No. of Equity Shares (Post Issue) (In lakhs)	217.05*
Required PAT (Rs. In lakhs)	1,029.29
Required Return on Net Worth (Post Issue)	13.77%

** Includes Bonus equity shares allotted and issued in October, 2010 in 1:1 ratio Plus 90 Lakhs shares from the proposed public issue*

Source: Auditor's Report, Restated Accounts

Minimum Return on Post Issue Net Worth to maintain Weighted EPS at Rs. 3.34 (Pre-issue Weighted Average EPS for March 31, 2010) is 9.71%.

Particulars	Amount
Pre - Issue Net worth as on 31.3.2010 (Rs. In lakhs)	1,623.30
Size of the Issue (Including Premium) (Rs. In lakhs)	5,850.00
Post Issue Net worth (Rs. In lakhs)	7,473.30
Required EPS	3.34
No. of Equity Shares (Post Issue) (In. Lakhs)	217.05*
Required PAT (Rs. In lakhs)	725.35
Required Return on Net Worth (Post Issue)	9.71%

** Includes Bonus equity shares allotted and issued in October 30, 2010 in 1:1 ratio Plus 90 Lakhs shares from the proposed public issue*

Source: Auditor's Report, Restated Accounts

Net Asset Value per Share (Book Value per Share)

Financial Year	Net Worth (Rs. in Lakhs)	No. of Shares (excl Pending Allotments)	NAV (Rs. Per Share)
2007-08	1,219.35	5,109,698.00	23.86
2008-09	1,322.05	6,341,919.00	20.85
2009-10	1,623.30	6,352,645.00	25.55
Half Year Ended 30/9/2010	1,799.06	6,352,645.00	28.32

Source: Auditor's Report, Restated Accounts

Net Asset Value per Share and comparison thereof with Post Issue NAV along with the Issue price

NAV	Rs.
As at March 31,2010	25.55
As at September 30, 2010	28.32
After Issue	35.24*
Issue Price	65.00

** NAV computed as Networth of Rs.1,799.06 Lakhs as on 30/09/2010 Plus Rs 5,850 Lakhs from the proposed Public Issue divided by Post-Issue equity shares of 217.05 Lakhs, which includes Bonus equity shares issued in October, 2010*

Source: Auditor's Report, Restated Accounts



GEMINI ENGI-FAB LIMITED

Comparison with Industry Peers

The comparable ratios of companies, who are in similar line of business and similar size of operations in terms of total income, are given below:

Company Name	Face Value (Rs.)	Return on Net Worth (%)	Equity (Rs. In Cr.)	NAV (Rs.)	EPS (Rs.)	P/E Ratio
Artson Engineering	1.00	-	3.69	-	1.70	48.50
GMM Pfaudler	2.00	12.5	2.93	59.0	6.90	16.81
Patels Airtemps	10.00	32.9	5.07	52.2	16.80	6.06
Mukand Engineers	10.00	17.6	12.57	37.5	6.40	7.30
Gemini Engi-Fab	10.00	18.6	6.35	25.6	4.74	13.71

Note: Above details are calculated as on March 31, 2010

Source: BSE India, Capital Markets, Vol. XXV/16 dated Oct 04 – 17, 2010.

Note: The restated financial information of the industry peers is not ascertainable, the ratios disclosed in the Draft Prospectus for the purpose of comparison with the accounting ratios of our Company is not based on restated financial statements of the industry peers.

The face value of the shares of our Company is Rs. 10/- per share and the Issue Price of Rs. 65 per share is 6.5 times of the face value of the Shares of Our Company.

The LM believes that the Issue price of Rs. 65/- is justified in view of the above qualitative and quantitative factors. See the section titled “Risk Factors” and “Financial Statements of the Company” beginning on Page No. 10 and 153 of this Draft Prospectus, including important profitability and return ratios, as set out in the Auditors Report beginning on Page No. 153 of this Draft Prospectus.

3.8. STATEMENT OF TAX BENEFITS

To,
The Board of Directors,
Gemini Engi-Fab Limited,
501, Palm Spring Centre
Next to D Mart, Malad West,
Mumbai – 400064

Dear Sir,

We hereby report that the attached Annexure states the possible tax benefits available to M/s. Gemini Engi-Fab Limited ("*the Company*") and to the equity shareholders of the Company under the provisions of the Income Tax Act, 1961 and Wealth Tax Act, 1957 presently in force in India, subject to the fact that several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, 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 his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed issue.

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

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

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

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

For Dass Maulik Mahendra K Agrawala & Co
Chartered Accountants

CA Narendra Khandal
Partner
Membership No.:065025
Place: Mumbai
Date: October 28, 2010

TAX BENEFITS

The information provided below sets out the possible tax benefits available to the Company and the Equity Shareholders 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, under the current tax laws presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

1. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

In our opinion, there are no special tax benefits available to the Company or its shareholders.

2. GENERAL TAX BENEFITS TO THE COMPANY AND ITS SHAREHOLDERS

(These benefits are available to all companies or to the shareholders of any company, after fulfilling certain conditions as required in the respective Act)

2.1 Dividend income

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

However, no deduction is permitted in respect of expenditure incurred in relation to income which is not chargeable to tax. The expenditure relatable to —exempt income need to be determined in accordance with the provisions specified in Section 14A of the IT Act read with Rule 8D of the Income Tax Rules, 1962. Further, Section 94 of the IT Act provides that losses arising from the sale or transfer of shares / units purchased within a period of three months prior to the record date and sold or transferred within three months (9 months in the case of units) after such date, will be disallowed to the extent dividend income on such shares/income on such units is claimed as tax exempt.

Under section 115O of the IT Act, in addition to the income-tax chargeable in respect of the total income of a domestic company for any Financial Year (FY), any amount declared, distributed or paid by such Company by way of dividends (whether interim or otherwise), whether out of current or accumulated profits, shall be charged to additional income-tax called as Dividend Distribution tax at the rate 16.60875 per cent (tax rate of 15% plus surcharge of 7.5% and education cess of 3%).

Under Section 32(1) of the IT Act, the Company can claim depreciation at the prescribed rates on its. Further as per Section 32(2) of the IT Act, in case where the profit for the year are inadequate so as to absorb the depreciation, in full or partly, then so much of the depreciation as is unabsorbed in that year shall be claimed in the subsequent financial year(s), subject to the provisions of Section 72(2).

2.2 Computation of Capital Gains

Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. Shares in a Company, listed securities or units will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as long term capital gains. Capital gains arising on sale of these assets held for 12 months or less are considered as short term capital gains.

As per Section 48 the amount of capital gain chargeable to tax shall be the difference between the Sales Consideration less the expenses incurred for the transfer and less the cost of acquisition or in case of a long term asset the indexed cost of acquisition.

According to Section 10(38) of the IT Act, long-term capital gains on sale of equity shares or units of an equity-oriented fund where the transaction of sale is chargeable to Securities Transaction Tax ("STT") and thereby STT has been paid on the same shall be exempt from tax.

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

According to the provisions of Section 54EC of the IT Act and subject to the conditions specified therein, capital gains not exempt under Section 10(38) and arising on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within 6 months from the date of transfer. The investment made in such bonds during any FY cannot exceed Rupees 50 lakhs. However, if the said bonds are transferred or converted into money within a period of 3 years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

As per the provisions of Section 111A of the IT Act, short-term capital gains on sale of equity shares or units of an equity oriented fund where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 15 per cent (plus applicable surcharge and education cess). Short-term capital gains arising from transfer of shares in the Company, other than those covered by Section 111A of the IT Act, would be subject to tax under the normal provisions of the IT Act.

As per the Minimum Alternate Tax (MAT) provisions governed by Section 115JB of the IT Act, capital gains (short term and long term) realized on sale of securities of the Company (irrespective of whether the securities are listed on a recognized stock exchange in India) forming part of the "book profit" will be taxed at the rate of 15 per cent (plus applicable surcharge and education cess).



2.3 Credit for Minimum Alternate Taxes ("MAT")

Under section 115JAA(2A) of the IT Act tax credit shall be allowed in respect of MAT paid under section 115JB of the IT Act for any FY commencing on or after April 1, 2005. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the IT Act. Such MAT credit shall not be available for set-off beyond 10 years immediately succeeding the year in which the MAT credit initially arose.

Under Section 72(1) of the IT Act, where for any FY, the net result of the computation under the head —Profits and Gains of Business or Profession is a loss to the Company (not being a loss sustained in a speculation business), then to the extent to which such loss cannot be set off against income from any other head of income for the same year, it shall be eligible to be carried forward and available for set off only against income from business under head — Profits and Gains of Business or Profession, for 8 subsequent years, subject to the filing of the returns within the time prescribed under section 139(1).

GENERAL BENEFITS AVAILABLE TO SHAREHOLDERS

3. BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS

3.1. Dividends exempt under Section 10(34)

Under section 10(34) of the IT Act, income by way of dividends referred to in Section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders. However, the Company will be liable to pay DDT at 16.60875 per cent (tax rate of 15 per cent plus surcharge of 7.5 per cent and education cess of 3 per cent) on the total amount distributed as dividends. As a result, no taxability arises in the hands of the shareholders in respect of dividends received from the Indian Company.

Further, Section 94(7) of the IT Act provides that losses arising from the sale or transfer of Equity Shares purchased within a period of three months prior to the record date and sold or transferred within three months after such date, will be ignored to the extent dividend income on Equity Shares is claimed as tax exempt.. Record date for this purposes means the date fixed by the Company for the purposes of entitlement of the holder of the securities to receive dividend.

3.2. Computation of Capital Gains

Capital assets may be categorized into short term capital assets and long term capital assets, based on the period of holding. Equity Shares held in the Company will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of such assets held for more than 12 months are considered as "Long Term Capital Gains". Capital Gains arising on sale of said assets held for 12 months or less are considered as "Short Term Capital Gains".

Under section 48 of the IT Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, as per second proviso to section 48 of the IT Act, in respect of long term capital gains (i.e. shares held for a period

exceeding 12 months) from transfer of shares of Indian Company, it permits substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index, as prescribed from time to time.

Under section 10(38) of the IT Act, long term capital gains arising to a shareholder on transfer of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and STT has been paid on the same.

Under section 54EC of the IT Act and subject to the conditions and to the extent specified therein, taxable long-term capital gains arising on the transfer of shares of the Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the long term specified bonds issued by:

- (a) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
- (b) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, the 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 3 years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion. 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 income-tax under Section 80C of the IT Act for any FY beginning on or after April 1, 2005.

Under section 54F of the IT Act and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax 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 subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

Under section 111A of the IT Act and other relevant provisions of the IT Act, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and STT has been paid on the same. 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. Further, in case of shareholder being a Company, profits on transfer of above referred short term capital assets (whether executed on stock exchange and STT paid on the same or otherwise) shall be taken into consideration in computing the —book profits|| for the purposes of computation of MAT under Section 115 JB of the IT Act.

Business Profits

Where the Equity Shares form part of stock-in-trade, any income realized from disposition of the Equity Shares will be chargeable under the head —Profit and gains of business or profession as per the provisions of the IT Act.

Please note that the characterization of the gains/losses, arising from sale of Equity Shares, as capital gains or business income would depend on the nature of holding in the hands of the shareholder and various factors connected with the facts of the same.

As per Section 36(xv) of the IT Act, an amount equal to the STT paid by the assesses in respect of the taxable securities transactions entered into in the course of his business during the FY will be allowable as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head —Profits and gains of business or profession.

4. BENEFITS AVAILABLE TO NON-RESIDENTS/ NON-RESIDENT INDIAN SHAREHOLDERS

4.1. Dividends exempt under Section 10(34)

Under section 10(34) of the IT Act, income by way of dividends referred to in Section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders. However, the Company will be liable to pay DDT at 16.60875 per cent (tax rate of 15 per cent plus surcharge of 7.5 per cent and education cess of 3 per cent) on the total amount distributed as dividends. As a result, no taxability arises in the hands of the shareholders in respect of dividends received from the Indian Company.

No deduction is permitted in respect of expenditure incurred by any person in relation to income which is not chargeable to tax. The expenditure relatable to —exempt income|| need to be determined in accordance with the provisions specified in Section 14A of the IT Act read with Rule 8D of the Rules.

Further, Section 94(7) of the IT Act provides that losses arising from the sale or transfer of Equity Shares purchased within a period of three months prior to the record date and sold or transferred within three months after such date, will be ignored to the extent dividend income on Equity Shares is claimed as tax exempt.. Record date for this purposes means the date fixed by the Company for the purposes of entitlement of the holder of the securities to receive dividend.

4.2. Computation of Capital Gains

Capital assets may be categorized into short term capital assets and long term capital assets, based on the period of holding. Equity Shares held in the Company will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of such assets held for more than 12 months are considered as "long term capital gains". Capital gains arising on sale of said assets held for 12 months or less are considered as "short term capital gains".

Under section 10(38) of the IT Act, long term capital gains arising to a shareholder on transfer of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and STT has been paid on the same. However, in case of shareholder being a Company, profits on transfer of above referred long term capital asset shall not be reduced in computing the —book profits|| for the purposes of computation of MAT under Section 115 JB of the IT Act.

Under the first proviso to section 48 of the IT Act, in case of a non resident shareholder, in computing the capital gains arising from transfer of shares of the Company acquired in convertible foreign exchange (as per exchange control regulations) (in cases not covered by section 115E of the IT Act-discussed hereunder),

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 the same foreign currency which was utilized in the purchase of the shares.

Under section 112 of the IT Act and other relevant provisions of the IT Act, long term capital gains, (other than those exempt under section 10(38) of the IT Act) arising on transfer of shares in the Company, would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess) after indexation. The amount of such tax should however be limited to 10 per cent (plus applicable surcharge and education cess) without indexation, at the option of the shareholder, if the transfer is made after listing of shares. However, please note that this is a litigious and a controversial issue.

Under section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the IT Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) issued by:

- (a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;
- (b) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, the 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 3 years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion.

Under section 54F of the IT Act and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax 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 subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

Under section 111A of the IT Act and other relevant provisions of the IT Act, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and STT has been paid on the same. 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. Further, in case of shareholder being a company, profits on transfer of above referred short term capital assets (whether executed on stock exchange and STT paid on the same or otherwise) shall be taken into consideration in computing the-book profits for the purposes of computation of MAT under Section 115 JB of the IT Act.

As per Section 90(2) of the IT Act, provisions of the DTAA between India and the country of residence of the Non-Resident/ Non- Resident India would prevail over the provisions of the IT Act to the extent they are more beneficial to the Non-Resident/ Non-Resident India.

Business Profits

Where the Equity Shares form part of stock-in-trade, any income realized from disposition of the Equity Shares will be chargeable under the head —Profit and gains of business or profession|| as per the provisions of the IT Act.

Please note that the characterization of the gains/losses, arising from sale of Equity Shares, as capital gains or business income would depend on the nature of holding in the hands of the shareholder and various factors connected with the facts of the same.

As per Section 36(xv) of the IT Act, an amount equal to the STT paid by the assessee in respect of the taxable securities transactions entered into in the course of his business during the FY will be allowable as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head —Profits and gains of business or profession||.

As per Section 90(2) of the IT Act, provisions of the DTAA between India and the country of residence of the non-resident would prevail over the provisions of the IT Act, to the extent they are more beneficial to the non-resident.

4.3. Option of taxation under Chapter XII-A of the IT Act:

Where shares of the Company have been subscribed in convertible foreign exchange, Non-Resident Indians (i.e. an individual being a citizen of India or person of Indian origin who is not a resident) have 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:

Under section 115E, where the total income of a non-resident Indian includes any income from investment or income from long term capital gains of an asset other than a specified asset, such income shall be taxed at a concessional rate of 20 per cent (plus applicable surcharge and education cess). Also, where shares in the Company are subscribed for in convertible foreign exchange by a Non-Resident Indian, long term capital gains arising to the non-resident Indian shall be taxed at a concessional rate of 10 percent (plus applicable surcharge and education cess). The benefit of indexation of cost and the protection against risk of foreign exchange fluctuation would not be available.

Under provisions of section 115F of the IT Act, long term capital gains (in cases not covered under section 10(38) of the IT Act) arising to a non-resident Indian from the transfer of shares of the Company subscribed to in convertible Foreign Exchange (in cases not covered under section 115E of the IT Act) shall be exempt from Income tax, if the net consideration is reinvested in specified assets, within 6 months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within 3 years from the date of their acquisition.

Under provisions of section 115G of the IT Act, it shall not be necessary for a Non-Resident Indian to furnish his return of income under section 139(1) if his income chargeable under the IT Act consists of only investment income or long term capital gains or both; arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the IT Act.

The benefit conferred on a Non-resident Indian will be available even after he/she becomes a resident if declaration in writing is filed along with the return of income under section 139(1) of the IT Act, to the effect that the provisions of Chapter XII A shall continue to apply to him in respect of investment income derived from foreign exchange asset being debentures issued by/deposits with an Indian company which is not a private company, any security of the Central Government as defined in clause (2) of section 2 of the Public Debt Act, 1944 and such other assets as the Central Government may specify in this behalf by notification in the Official Gazette, vide section 115 H of the IT Act, until the transfer or conversion (otherwise than by transfer) into money of such assets.

Under section 115 I of the IT Act, a Non-Resident Indian, if he elects, by so declaring in the return of his income for that FY, not be governed by the above mentioned special provisions of chapter XII-A, then he will be entitle to compute his total income and pay tax in accordance with the other provisions of the IT Act.

5. BENEFITS AVAILABLE TO FIIs

5.1 *Dividends exempt under Section 10(34)*

Under section 10(34) of the IT Act, income by way of dividends referred to in Section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders. However, the Company will be liable to pay DDT at 16.60875 per cent (tax rate of 15 per cent plus surcharge of 7.5 per cent and education cess of 3 per cent) on the total amount distributed as dividends. As a result, no taxability arises in the hands of the shareholders in respect of dividends received from the Indian Company.

No deduction is permitted in respect of expenditure incurred by any person in relation to income which is not chargeable to tax. The expenditure relatable to —exempt income|| need to be determined in accordance with the provisions specified in Section 14A of the IT Act read with Rule 8D of the Rules. Further, Section 94(7) of the IT Act provides that losses arising from the sale or transfer of Equity Shares purchased within a period of three months prior to the record date and sold or transferred within three months after such date, will be ignored to the extent dividend income on Equity Shares is claimed as tax exempt. Record date for this purposes means the date fixed by the Company for the purposes of entitlement of the holder of the securities to receive dividend.

5.2 *Taxability of capital gains*

Under section 10(38) of the IT Act, long term capital gains arising to a shareholder on transfer of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and STT has been paid on the same. However, in case of companies, long term capital gain so earned may be required to be taken into account in computing the book profit for the purpose of computation of MAT under Section 115JB of the IT Act.

Under section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the IT Act) arising on the transfer of shares of the 61



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Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) issued by:

- (a) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
- (b) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, the 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 3 years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion.

Under section 115AD(1)(iii) of the IT Act income by way of long term capital gain arising from the transfer of shares (in cases not covered under section 10(38) of the IT Act) held in the company will be taxable @10 per cent (plus applicable surcharge and education cess). It is to be noted that the benefits of indexation and foreign currency fluctuations are not available to FIIs.

However, where the equity shares form a part of its stock-in-trade, any income realized in the disposition of such equity shares may be treated as business profits, taxable in accordance with the DTAA between India and the country of tax residence of the FII. The nature of the equity shares held by the FII is usually determined on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases, sales and the ratio between purchases and sales and the holding etc. If the income realized from the disposition of equity shares is chargeable to tax in India as business income, FIIs could claim deduction with respect to STT paid on purchase/sale of equity shares while computing taxable income. Business profits may be subject to tax at the rate of 30 / 40 per cent (depending on the type of FII) plus applicable surcharge and education cess.

As per section 90(2) of the IT Act, provisions of the DTAA 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. Where FII treat the income realized from disposition of Equity Shares as business profits and it does not have permanent establishment in India, such income of FII may not be subject to tax in India.

6. TAX DEDUCTION AT SOURCE

Generally, tax, surcharge and education cess on the capital gains, if any, are withheld at the source by the purchaser/person paying for the equity shares in accordance with the relevant provisions of the IT Act. However, no deduction of tax shall be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the IT Act payable to FIIs.

7. BENEFITS AVAILABLE TO MUTUAL FUNDS

As per the provisions of Section 10(23D) of the IT Act, Mutual Funds registered under the Securities and Exchange Board of India or Mutual Funds set up by Public Sector Banks or Public Financial Institutions or authorized by the Reserve Bank of India and subject to the conditions specified therein, would be eligible for exemption from income tax on their income.

8. STT

The exemption on long term capital gains and reduction of rate for short term capital gains would be applicable only if the sale/transfer of the equity shares takes place on a recognized Stock Exchange in India. All transactions entered into on a recognized Stock Exchange in India will be subject to STT levied on the transaction value at the applicable rates. In case of purchase/sale of equity shares and units of an equity oriented mutual fund which is 62 settled by way of actual delivery or transfer of the Equity Share/ unit, STT will be levied at the rate of 0.125% on both the buyer and seller of the Equity Share/ unit. For sale of equity shares and units of an equity oriented mutual fund settled otherwise than by way actual delivery or transfer of the Equity Share/ unit, STT will be levied at the rate of 0.025% on the seller of the equity share/unit. The STT can be claimed as deduction while computing taxable business income as per the provisions of the IT Act, provided the gains on the transactions are offered to tax as business income and not as capital gains.

9. CAPITAL LOSS

In general terms, loss arising from a transfer of a capital asset in India can only be set off against capital gain. Since long-term capital gains on the sale of listed equity shares in respect of which STT has been paid is not liable to capital gains tax, it is doubtful whether any long-term capital loss arising on account of such sale would be allowed to be set off. A short term capital loss can be set off against capital gain whether short term or long-term. To the extent that the loss is not absorbed in the year of transfer, it may be carried forward for a period of 8 FY immediately succeeding the FY for which the loss was first determined and may be set off against the capital gains assessable for such subsequent FY. In order to set off a capital loss as above, the non-resident investor would be required to file appropriate and timely returns in India and undergo the usual assessment procedure.

10. DTAA BENEFITS

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

11. BENEFITS AVAILABLE 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 are not liable to wealth tax.

12. BENEFITS AVAILABLE UNDER THE GIFT-TAX ACT, 1958

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

13. IMPLICATIONS OF GIFT UNDER THE IT ACT

As per Section 56(2)(vii) of the IT Act, any property (including Equity Shares of the Company) which is in nature of capital asset of the recipient, other than immovable property is received by an individual/ HUF:



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- a. Without consideration, where the aggregate fair market value of such property exceeds Rupees 0.50 lakhs, then such aggregate fair market value; or
- b. For a consideration which is less than the aggregate fair market value of such property by more than Rs. 0.50 lakhs, then such difference between the fair market value and the actual consideration received would be taxable as income from other sources. However, this is not applicable where shares are received from certain specific persons (such as relatives etc.) and/ or in specified circumstances (on occasion of marriage etc.) as mentioned in Section 56(2)(vii) of the IT Act.

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 (i.e. Act as amended by the Finance Act 2010 and Wealth Tax Act, 1957) presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws;*
- *This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her or its own tax consultant with respect to the specific tax implications arising out of their participation in the issue;*
- *In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the DTAA, if any, between India and the country in which the non-resident has fiscal domicile; and*
- *The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.*
- *Please note that we have not considered the provisions of Draft Direct Taxes Code for the purpose of this Statement.*

SECTION IV - ABOUT THE COMPANY

4.1 INDUSTRY OVERVIEW

Fabrication industry makes equipment in various sizes and shapes to serve the demand of the diverse industrial sectors like cement, dairy, refinery, pharmaceutical, petrochemical, power and chemicals. The fabrication Industry is highly fragmented and project oriented having a market size of around Rs. 7,500 crore per annum. The major players in fabrication business are L&T, Godrej, Southern Structural, Bellary Steels and Binny Engg, etc. which have machine shops to 'finish' the end product. It requires large investment especially from capital goods industry. The growth in this industry is expected to be around 5-6% per annum and it also depends on the growth in the engineering sector, especially capital goods industry and construction industry which drives the demand for small units.

Fabrication is building of machines, structures, or process equipment as required, by cutting, shaping and assembling components made from raw materials. These equipments are made in various sizes and shapes to serve the demand of the industry namely, cement, dairy, refinery, pharmaceutical, petrochemical, power and chemical. The requirements of individual buyers like available space, use of raw material as well as the capacities of the corresponding equipment in product line affect the specification of the fabricated equipment. Customizations is not only on the basis of various materials for construction or the technology suitable for particular process conditions but also on pressure, temperature under which the equipment is expected to perform as a part of process requirements. The name of equipment may be same but the constructional features, techniques and material of construction varies from process to process.

Salvaging of Equipments

Salvaging is another process under fabrication industry where the corroded portion of the equipment is changed or reworked instead of changing of the entire equipment. In refineries, petrochemical, and nuclear plants there are certain equipment whose tonnage cost is exuberant. These equipments on coming in contacts with Exotic Materials such as duplex stainless steel, cupronickel, and inconel etc. get corroded. In most of these cases the equipments gets corroded either from the tube side or the shell side. When it is from the tube side, it becomes costly to replace the entire tube bundle, hence only that part which is corroded is reworked or changed. This gives the equipment new lease of life without incurring heavy expenses.

Technology of Fabrication

Fabrication involves a combination of various mechanical processes including welding, soldering, brazing, forming, pressing, bending and stress removal. Welding is a major process in Fabrication Industry all the joining is done by welding process using the different type of electrical depending on the material to be welded. The major types of welding processes are:

- Submerged arc welding - used for longitudinal welding
- MIG CO2 welding - used for galvanized steels and steels < 2.5 mm thick
- TIG welding - for stainless steel
- Manual arc welding - for small jobs & general steel applications



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Process Advantages

Compared to a casting, the fabrication process has following merits:

- a fabricated piece weighs less;
- most ferrous and non-ferrous materials can be fabricated;
- fabricated items involve lower investments as against that in a foundry (for cast components);
- fabrications can be done on site;
- single piece or multiple batches can be fabricated without recourse to patterns, dies, etc.; and
- Shape & size are not a consideration in a fabrication job

Market Outlook

The demand for the fabrication and salvaging from various sectors is likely to provide good growth opportunities to the company. The growth projected and the margins expected appear reasonable considering the track record of the company. Post IPO, the company will be moving up the value chain and competing against established players with large manufacturing facilities as well as a superior brand image. It will be challenging for the company to sustain its current profitability margins given the competition from these large players. In times of downturn in demand the company will be more adversely affected than its rivals because of its relatively small size; however, the lower expenses of GEFL compared to its competitors and experience in salvaging of equipments gives company a good opportunity to expand. The company needs to further strengthen its management team with induction of suitable professionals to manage its growth plans.

No. of Players

The Mechanical Fabrication Industry including the industry of the salvaging of the equipments is in a very unorganized sector. There are not many players that exist in the market who operate in these areas. However, based upon our understanding the prominent players are:

- a) Patels Airtemp (India) Limited,
- b) Artson Engineering Limited,
- c) Mukand Engineers Limited, and
- d) GMM Pfaudler Limited.

Price Movement

The selling prices of the products manufactured by the company are generally fixed on the basis of tenders being invited by the respective customers and based upon the cost of manufacturing, the company quotes its rates after keeping a decent margin. Over the years the company has been getting an increasing realization from the sales. On the raw material front, the cost of the major raw materials have been steadily increasing but since the selling prices are quoted based upon the specific requirements of the customers, there are very rare chances, if any, that there are negative realization for the company.

Demand – Supply Gap

In view of the robust economic developments and the continual focus of the government on spending on infrastructural intensive industrial units such as refineries, power, steel, oil etc. there is likely to be a huge demand for the fabrication industry. In view of a likely spurt in the demand of the products there are huge potential for capacity building / expansions by the existing manufacturers.

Global Scenario

Globally, there is a high demand for the fabrication related works due to high spending in industrial units by all the countries. The company is in the process of empanelling itself with some global customers so as to enjoy the advantages of the global scenario.

Customs Duty Anomalies & Rationalization

In respect of the products manufactured by the company there are no export sales at present and as such there is no custom duties payable in respect of the sales. In respect of the imports of raw materials made by the company, the rate of duties varies from 5% to 10%. Apart from the basic duty there is an additional duty of around 4% for which the company avails the Cenvat credit.

The major raw materials imported by the company are nickel, brass, seamless tube etc. which are being imported due to price difference in the international market. During the last year, there has been a considerable increase in the imports basically on account of the price difference in the international market and due to unavailability in the domestic market. Due to this, any increase in the customs duty is likely to lead to an increase in the cost of the finished products.

The information presented in this section has been obtained from publicly available documents from various sources, industry websites and company estimates. Industry websites 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 other data used in this Draft 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. Data used in this section has been sourced from the following:

Source: www.indiamarkets.com

(http://www.indiamarkets.com/imo/industry/industry_home.asp?display_content_link=0&search_link=0)

4.2 OUR BUSINESS

Our Company was incorporated as a private limited company in the name of “Gemini Engi-Fab Private Limited” on January 12, 1998. In the year 2007, Gemini Engi-Fab Private Limited was converted into a public limited company with effect from January 9, 2007 under the name of “Gemini Engi-Fab Limited”. We are engaged in manufacturing and salvaging of process equipments through fabrication for various process industries, namely, cement, dairy, refinery, pharmaceutical, petrochemical, power and chemical. Fabrication is building of machines, structures, or process equipment as required, by cutting, shaping and assembling components made from raw materials.

We started our operations in the financial year 1998-99 with manufacturing of spares, channel heads, tube sheets and tube bundles for refineries in an industrial shed at Andheri in Mumbai. In the year 2001, we purchased a unit in the same industrial estate to expand our operations. During 2003, we further expanded our operations by purchasing another unit adjoining the existing location. On October 1, 2004 we entered into leave and license agreement with M/s Expert Engineers, a registered partnership firm of the Promoters for using and occupying the factory premises including the machineries and other fittings and fixtures therein located at Plot No. 1504, GIDC, Umbergaon, District Valsad, Gujarat. The said agreement is valid till August 31, 2009. We have now entered into an agreement dated June 21, 2008 whereby we have agreed with M/s Expert Engineers to take the premises on leave and license basis for a further period of 59 months i.e. till May 20, 2013. Further, by way of this agreement the parties have agreed to approach GIDC to seek permission for transfer of lease hold rights or execution of sub-lease with respect to premises at Plot No. 1504, GIDC, Umbergaon, District Valsad, Gujarat in favour of our Company. The salient features of the agreement dated June 21, 2008 are disclosed on Page No. 130 of this Draft Prospectus.

In the year 2005, we entered into manufacturing of heat exchangers for refineries and dairy plants. In the year 2006, we had taken Plot no. 1505 and Plot no. 1506 on lease from GIDC, which are adjacent to Plot No. 1504. We expanded our operations by setting up manufacturing facilities in Plot no. 1506 and were able to manufacture pressure vessels, storage vessels, tanks, heat exchangers, distillation and absorption columns with various types of ferrous and non ferrous materials like carbon steel, stainless steel, nickel, copper, monel, inconel, brass and titanium. With the expansion, our weight handling capacity increased from 18 tonnes to 27 tonnes.

During 2006-07 we entered into salvaging of equipments. Salvaging as the name suggests is the process of extracting usable parts from damaged, failed, corrupted or unusable equipment which would normally be discarded as scrap; and reuse them in the equipment.

In the financial year 2007-08, our Company shifted its Mumbai operations from Andheri to Umbergaon, Gujarat at its existing plant to consolidate all its manufacturing operations. We outsource certain parts and processes of our equipments that we are unable to handle due to our in-house machinery limitation.

The Company proposes to further expand as detailed in Section titled “Objects of the Issue” beginning on Page No. 59 of this Draft Prospectus.

MARKET BASE & CUSTOMERS

The fabrication industry being a highly unorganized / unstructured industry there is no available data to assess the percentage of market being catered by the company but at the same time there is very limited competition in this sector/segment due to the specialized/technological factors involved in the operations. We are looking forward for potential business opportunities in other geographical areas both within and outside the country. We foresee tremendous business opportunities in the middle-east countries due to the rapid increase in the oilfield and exploration works.

The customer base of the company is widely dispersed and spread across various sectors / segments. Some of our prominent clients are as under:

- a) Indian oil Corporation Limited
- b) Nestle India Limited
- c) Larsen & Toubro Ltd.
- d) National Dairy Development Board
- e) Gujarat Narmada Valley Fertilizer Company Ltd.
- f) Gujarat Alkalies and Chemicals Ltd.
- g) Chennai Petroleum Corporation Ltd.
- h) Bharat Petroleum Corporation Ltd.
- i) Hindustan Petroleum Corporation Ltd.
- j) Rashtriya Chemicals and Fertilizer Ltd.
- k) Heavy Water Board
- l) Reliance Petroleum Ltd.
- m) National Dairy Development Board (Gujarat)
- n) DLF Cement Ltd.
- o) Nirma Ltd.
- p) Haldia Petrochemicals Ltd
- q) Bhabha Atomic Research Centre
- r) Ambuja Cement Ltd.
- s) Lanxess India (P) Ltd.
- t) Mazagon Dock Ltd.

MAJOR SUPPLIERS

The company sources its materials both from the domestic as well as from the international market depending upon the prevailing market conditions, rates, period of delivery etc. We hereunder give the list of some of our prominent suppliers:

- i) Pawan Traders
- ii) Kailash Enterprises
- iii) Gautam Steel
- iv) Ratnamani Metals & Tube Ltd.
- v) Hemal Enterprises
- vi) Anmol Traders



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- vii) Multimetals Ltd.
- viii) Kanematsu Trading Corp.
- ix) Bhawal Steel Agency
- x) Dmson's Metal Pvt. Ltd.

SALES AND MARKETING

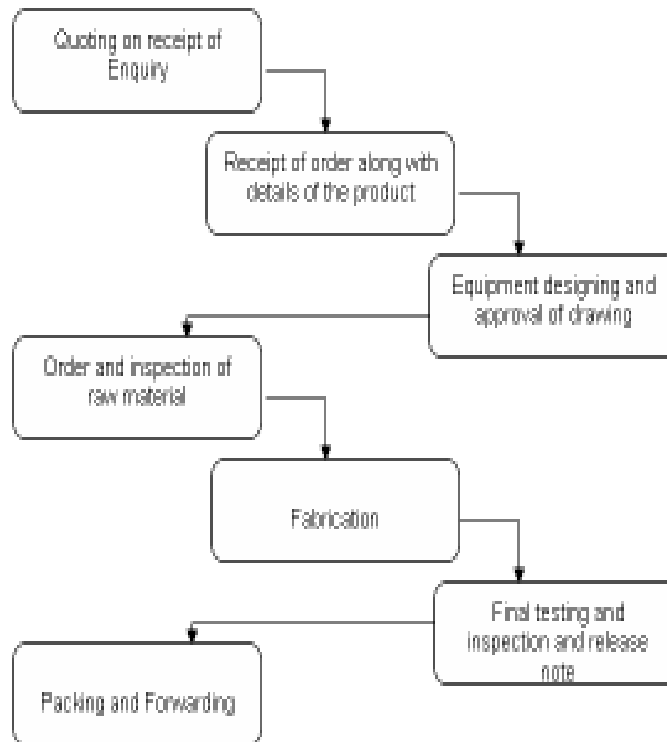
Our Company scrutinizes for the tenders through printed media, internet and direct communications from clients. The tenders are sorted as per the equipment category, our approved limits and similar equipments worked in past. The tender documents are studied by our team of experienced members who do the detailed analysis of work requirement and then finalize the strategy of manufacturing requirements and criticalities. The availability of raw materials is also checked from market and its possible delivery time which helps us to quote the estimated time required for purchases and processing. Based on above analyzed data, we quote our prices and time for delivery.

COMPETITORS

We compete against international engineering and construction companies or their regional operating entities as well as other Indian companies, where number of unorganized players exists. Most equipment fabrication contracts and projects are awarded through competitive bidding processes and satisfaction of other prescribed prequalification criteria. While service quality, technological capacity and performance, health and safety records and personnel, as well as reputation and experience, are important considerations in client decisions, price is a major factor in most tender awards. Once prospective bidders clear the technical requirements of the tender, the contract is usually awarded to the most competitive financial bidder. Our industry has been frequently subject to intense price competition. In India, there are a number of players in fabrication industry having only a segment dedicated to fabrication. Our major competitors in India include

- Patels Airtemp (India) Limited,
- Artson Engineering Limited,
- Mukand Engineers Limited,
- GMM Pfaudler Limited.

FLOW CHART OF THE BUSINESS PROCESS



BUSINESS PROCESS

Scrutiny and Submission of Tender

Our Company scans for the tenders through printed media, internet and direct communications from clients. The tenders are sorted as per the equipment category, our approved limits and similar equipments manufactured in the past. We prepare estimation of cost and benefits, tender document and submit suitable quotes for the tenders after assessment of pre-qualification requirements.

Receipt of Order

If our quotes for the tenders are accepted we receive the order for manufacturing of equipment from the clients. Based on the order which contains the clients' requirements on the basis of its process we start our documentation and determine qualitative objectives, process requirements, and resources required.

Equipment Design and Approval of Drawing

The drawing of the equipment to be manufactured prepared by our team is sent to the client for their approval. Customer verifies and approves these designs subject to changes, if any, with respect to the design data input provided by them at the time of ordering. Simultaneously, inspection procedures to be followed by us at various stages in the production of equipments are also sent for approvals considering the requirements of equipment.



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Order and Inspection of Raw Material

The required raw material like metal plate, pipes, flanges and fitting for the manufacturing of the equipment is ordered from various suppliers and on receiving the delivery; the inspection department verifies the same as per test certificate. In case of any discrepancies or doubts, the raw material is sent for chemical and physical test. It is cleared for further process once it is found suitable for manufacturing as per company's requirements.

Fabrication

The raw material is issued to the work shop as and when required for fabrication activities which involve marking, cutting, bending, machining, foaming, weld setup, welding, grinding, surface preparations, drilling, and so on. The metal plates are rolled to circular shapes in various diameters and lengths as per the equipment and the edges are joined by suitable welding process which involves joining two metal pieces by heating them with the help of electricity or gas. Normally there is an addition of filling material for welding objects of more than 2 mm.

The above process is undertaken keeping in view the type of material to be used, the end use and requirements of the client. This is named as Welding Procedure Specification (WPS) and the code followed generally are ASME, BS (British Standard) and IS (Indian Standard). The WPS specifies the conditions including ranges under which welding must be performed. These conditions include the base metals that are permitted, the filler metals that must be used, preheat and post weld requirements and thickness range. These parameters are specified very clearly in the relevant code books and are internationally accepted. For general use of welding procedures in various conditions the ASME code has grouped the various metals and electrodes and after qualification of a written WPS the same can be used for welding of various materials falling in the same group. To prove the procedure, the welding parameters are established by actually welding the material in question and when succeeded it is recorded as Procedure Qualification Record (PQR) which contains all the parameters and physical and chemical properties including radiography results.

Based on the requirements of WPS and using the parameters of PQR the welders and welding operators have to be qualified before they can be allowed to work on the actual job. The purpose of WPS is to determine that the welding process on the equipment is capable of providing the required properties to the equipment for its intended application.

The various welding processes which are applicable to our Company are explained below:

• Shielded Metal Arc Welding (SMAW)

The welding machine used to conduct welding is either a transformer or a rectifier. The plates to be welded are connected from the welding machine. When the welder touches the flux coated electrode in the weld groove the arc is struck. This arc will help the base metal edges to melt and at the same time the tip of electrode also melts and drops in the gap and makes a homogeneous solution. The electrode is generally coated with flux which also melts and forms a layer above the molten metal which prevents the molten metal to come in contact with atmosphere preventing oxidation or evolution of gases from weld metal which will otherwise produce defects in weld like porosity or slag etc.

Depending upon the thickness of plate and groove design the welder has to adjust the voltage and current in the welding machine so as to achieve correct amount of melting of base metal and electrode to achieve perfect weld which otherwise may produce defects like burn through or incomplete penetration, suck back etc.

- **Gas Tungsten Arc Welding (GTAW)**

This is a semi-automatic welding process used for root run where second side welding and full welding in lower thicknesses is not possible. GTAW is more favorable for welding of stainless steel and Exotic Materials and thin sheets. In this process, the gun has a tungsten electrode which is non consumable and only helps in melting the base material and the filler wire which is manually fed. Here no flux powder is required and shielding is done with Argon Gas of high purity.

The steel plate is given the basic cylindrical shell shape through the welding process. The welds are checked with radiography/x-ray for any welding defects and if found, the same is repaired and re-radiographed. The end closures are in the shape of dome, hemisphere and are made as per design on heavy press machines and the final shape is achieved by spinning process. These end caps called heads are fitted to the cylindrical body by welding the parts together. After the structure is ready we adjust the inlet and outlet connections so that the material can pass through. Required size of pipes and flanges are attached so that the equipment can fit appropriately with pipelines and connections after erection. This is the process of making pressure vessel and storage vessels. The process remains the same for making the shell of the heat exchanger and columns. However, a heat exchanger also requires tube bundle which varies as per each equipment constructions. The tubes are procured from various vendors and are shaped into the required format so that they fit into the shell. After this, the tube sheets are bought from forging industry or made from plates as per customer design and process requirements. The tube sheets have to be drilled as per the tube size by drilling machines to produce holes of perfect dimensions and internal finish. These tube sheets after drilling are ready to be joined to the tubes already fabricated. This tube sheet is pushed into previously fabricated shell. After all the tubes are put in position for rigidity, these are expanded in the tube sheet holes with a special machine called tube expander. Depending again on process requirement, the tubes are either only expanded in tube sheets or tube to tube sheet welded or both.

In large size columns and reactors our Company prefabricates them in our workshop in sections for ease of transportation and are then assembled at site. For critical applications, these sections are also trial assembled in shop and then match marked, dismantled and dispatched to site so that no problem arises in assembling at the site. In certain cases shell is made of carbon steel and then lined with stainless steel to achieve leak proof equipment.

Final Testing and Inspection Release Note

After the equipments are manufactured as per drawings and specification, the equipments are tested for leak test. Pneumatic test is done to make sure there is no leakage. It is followed by hydro test i.e. filling water in the equipment and checking out for any leakage from anywhere. After hydro test, most critical is helium leak test. In all QAP, the required test is clearly indicated. After all tests are done, final release note is issued by the authorized inspection agency. It mentions the tests carried out and quantity accepted. It contains full history of raw material, components and also highlights in case of any deviation in manufacturing activity.

Packing and Forwarding



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Proper packing is carried out as per client's requirement and instructions as given by the packing department. The equipments and spares go through a final verification before dispatch. To avoid any deformation in shell sections, the shell end are provided with steel spiders which are removed after it reaches the site.

Job-work

At present, we outsource the following processes on job-work basis as we have limitations in our existing manufacturing facilities:

- Rolling of Plates with Thickness of more than 25 mm;
- Machining of Equipments with Diameter of more than 1250 mm;
- Heat Treatment of Equipments;
- Precision Drilling; and
- Moulding

During the Financial Year 2009-10 and six months period ended September 30, 2010, we have paid Rs. 29.60 and Rs. 17.60 lakhs respectively towards job-work for the above processes. We now propose to acquire rolling machine which can roll plates with thickness of upto 100 mm, furnace for heat treatment of equipments and CNC gun drilling machines for precision drilling. This will not only reduce our dependence on job-workers, but also increase our operational efficiency in relation to cost, time and quality.

Present and Future Capacity and Capacity Utilization

Typically in fabrication industry, the equipments manufactured are as per the specific requirement of customers and each product is different from the other by combination of processes. Also, as per the Annual Report of our Company, there is no licensed and installed capacity.

Class of products	Licensed Capacity	Installed Capacity
Engineering Goods	Not Applicable	Not Applicable

Our Operations:

Existing Works

Plot 1504, 1505 & 1506, Gujarat Industrial Development Corporation, Umbergaon – 396 171, District Valsad, Gujarat

Proposed Works

Number 62 Paiki 3, 147 Paiki 5 and 148 (Plot measuring 54,981 sq mtrs.), Khata No. 155, Village Palgam, Taluka – Umbergaon, District Valsad, Gujarat

Details of the Proposed Project:

The details of the project cost are given in the following table:

(Rs. In Lakhs)

Sr. No.	Particulars	Amount
1	Land, site development, Building Construction & other civil works (for setting up new manufacturing facility)	1,903.75
2	Plant & Machinery	2,818.94
3	Miscellaneous – Fixed Assets	322.28
4	Preliminary and Capital Issue Expenses	372.30
5	Contingencies @ 7.5%	378.40
6	Working Capital Margin	400.00
	Total	6,195.67

LAND & SITE DEVELOPMENT AND BUILDING & OTHER CIVIL WORKS

The aggregate cost of setting up land & site development and building & civil works is estimated at **Rs. 1,903.75 lakhs**, as per the break-up given below:

(Rs. In Lakhs)

Sr. No.	Particulars	Amount	Amount
	Land & site development		594.88
1.a	Land (already acquired from internal accruals)	345.67	
1.b	Site development	249.21	
	Building & other civil works		1,308.87
1.c	Civil works	611.35	
1.d	Factory shed	697.52	
	TOTAL		1,903.75

DETAILED COST OF THE PROJECT

Land & Site Development

Land

Our Company intends to establish the new unit in Umbergaon and has already acquired a plot of 54,981 sq. mtrs of land at Khata no.155, Village Palgam, Taluka Umbergaon, District Valsad, Gujarat State. This land was earlier registered as an agricultural land. Received Letter dated October 3, 2009 with Ref No. CB/NA/Reg. No. 14/08/ws.2513 RE 2522 from Office of the Collector, Valsad certifying the use of the land for Bonafide Industrial Purpose. We had entered into a registered conveyance deed with Mr. Prabhodh Sanjanwala, Mr. Shirish Sanjanwala, Mr. Kamal Sanjanwala and Mr. Shyam Sanjanwala for the said land on February 5, 2008. The total cost of land including registration and other costs is Rs. 345.67 lakhs, which our Company has already paid from our internal accruals. None of the above transferors are related to any of our promoters/directors in any capacity. Further, the above land has clear title and is free from all encumbrances.

**GEMINI ENGI-FAB LIMITED****Site Development**

As per estimate received from the M/s Architects Nook Private limited, vide their letter dated August 10, 2010, the cost of site development for the above land is estimated at Rs. 249.21 lakhs which includes land filling, construction of compounds walls, road, gardening and landscaping and plot lighting. The breakup of the cost of the site development is as follows:

Sr. No.	Key site development activities	Quantity/Unit	Rate/Unit	Amount (Rs. In Lakhs)
1	Entrance culvert	100 / Sq. mtrs	2,300 / Sq. mtrs	2.30
2	Land filling	53,290 / Cu. mtrs	200 / Cu. mtrs	106.58
3	Compound wall with stone masonry retaining wall	339 / rmt	9,860 / rmt	33.43
4	Compound wall with RCC retaining wall	338 / rmt	13,140 / rmt	44.41
5	Entrance gate	12 / rmt	6,570 / rmt	0.79
6	Asphalt roads	2,965 / Sq. mtrs	720 / Sq. mtrs	21.35
7	Interlocking paver block for pathway	773 / Sq. mtrs	610 / Sq. mtrs	4.72
8	RCC gutter	470 / rmt	3,070 / rmt	14.42
9	Land escaping, gardening	3,250 / Sq. mtrs	220 / Sq. mtrs	7.15
10	Plot lightening	40 / Nos.	5,480 / Nos.	2.19
	Sub-Total			237.34
Add:	Contingencies @ 5%			11.87
	Total			249.21

Building Construction & Other Civil Works**Civil Works**

As per estimate received from the M/s Architects Nook Private limited, vide their letter dated August 10, 2010, the cost of civil works for the above land is estimated at Rs. 611.35 lakhs which includes construction of main structures and ancillary structures. The breakup of the cost of the civil work is as follows:

Sr. No.	Key Site development activities	Quantity /Unit	Rate/Unit	Amount (Rs. in Lakhs)
1	Temple	15.30 Sq. Mtrs	10,400/Sq. Mtrs	1.59
2	Security and Time Keeper Cabins	105 Sq. Mtrs	9,090/Sq. Mtrs	9.54
3	Civil work for 100 tonnes electronic weigh bridge	50 Sq. Mtrs	4,930/Sq. Mtrs	2.47
4	Transformer yard	25 Sq. Mtrs	1,650/Sq. Mtrs	0.41
5	Civil work, DG shed and panel room	75 Sq. Mtrs	4,380/Sq. Mtrs	3.29
6	Workers canteen and executive dining	520 Sq. Mtrs	8,980/Sq. mtrs	46.70

7	Workers quarters	900 Sq. Mtrs	5,480/Sq. mtrs	49.32
8	Underground water tank	1,00,000 Litres	10 Litres	10.00
9	Administrative block	750 Sq. Mtrs	10,400/Sq. mtrs	78.00
10	Elevation canopy and landscaping	Lumpsum	Lumpsum	4.40
11	Plinth and civil work in factory shed	7,052 Sq. Mtrs	4,710/Sq. Mtrs	332.15
12	Exotic fabrication shed	450 Sq. Mtrs	4,930/Sq. Mtrs	22.18
13	Machining Workshop	450 Sq. Mtrs	4,930/Sq. Mtrs	22.19
	Sub-Total			582.25
Add:	Contingencies @ 5%			29.11
	Total			611.35

Factory Shed

We have received quotation from M/s Architects Nook Private Limited dated August 10, 2010 for structural work for structural work for our new unit's factory shed. This work shop is to be constructed as per the technical specification given by our Company to the vendor for which the estimated cost is Rs. 697.52 lakhs.

PLANT AND MACHINERY

The proposed plant and machineries for setting up manufacturing facilities at Umbergaon is proposed to be purchased from various indigenous and international suppliers/manufacturers. The cost of plant & machinery is estimated at Rs. 2,818.94 lakhs. We have estimated these requirements based on quotations and prevailing market prices of manufacturers/suppliers of equipments. The plant & machineries required for setting up manufacturing facilities are given below:

Sr. No.	Proposed Expenditure Programme	Amount (Rs. In Lakhs)
1	Indigenous (excluding duties and taxes)	2,251.11
2	Imported	567.83
	Total Cost	2,818.94

Indigenous Machinery

The details of indigenous machinery for the new unit and their costs are as follows:

Sr. No	Equipment	Supplier	Quantity	Per Unit Cost (Rs. In Lakhs)	Total Cost (Rs. In Lakhs)	Quotation Date
1	Articulated Hydraulic Mobile Crane	Action Construction Equipment Limited	2	9.20	18.40	26 th August, 2010
2	Pneumatic Angle Grinder (Model AG-41 G)	S.S. Tools (India) Pvt. Ltd.	20	0.16	3.20	15 th August, 2010
3	Heavy Duty Industrial Die Grinder	S.S. Tools (India) Pvt. Ltd.	10	0.05	0.50	15 th August, 2010



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Sr. No	Equipment	Supplier	Quantity	Per Unit Cost (Rs. In Lakhs)	Total Cost (Rs. In Lakhs)	Quotation Date
4	Pneumatic Angle Grinder (Model AG-36 G)	S.S. Tools (India) Pvt. Ltd.	15	0.07	1.05	15 th August, 2010
5	Vertical sanders & grinder (Pneumatic Die Grinder)	S.S. Tools (India) Pvt. Ltd.	8	0.02	0.16	15 th August, 2010
6	Heavy Duty Verticle Polisher / Sander	S.S. Tools (India) Pvt. Ltd.	20	0.08	1.60	15 th August, 2010
7	Orbital Tig Welding Machine	Apex Engineers	4	14.60	58.40	24th August, 2010
8	Tube-to-Tube Sheet TIG Welding Flexible Heads (model P 20)	Apex Engineers	2	14.83	29.66	24th August, 2010
9	Orbiweld 115 enclosed weld head with remote control and long cable	Apex Engineers	2	9.10	18.20	24th August, 2010
10	Collect Set for above 2 sets, Manderls for 7.5mm – 10mm, Trolley, Ruggedized enclosure	Apex Engineers	1 Lot	1.20 0.75 0.13 1.88 2.41	6.37	24th August, 2010
11	D G Set (750 KVA)	Sudhir Gensets Ltd.	1	54.44	54.44	14 th August, 2010
12	Horizontal Boring Machine and Optional Accessories	Emtex Machinery Pvt. Ltd.	1	64.68 7.32	72.00	25 th August, 2010
13	Radial Drilling Machine	Emtex Machinery Pvt. Ltd.	1	11.80	11.80	25 th August, 2010
14	Hydraulic Cylinder	Flow Control	1	30.15	30.15	25 th August, 2010
15	Hydraulic Cylinder Press	Management Estimates*	1	20.00	20.00	26 th August, 2010
16	Heat Treatment Furnace	Management Estimates*	1	32.90	32.90	26 th August, 2010
17	Heat Treatment Furnace	Management Estimates*	1	38.50	38.50	26 th August, 2010
18	Heat Treatment Furnace	Management Estimates*	1	29.00	29.00	26 th August, 2010
19	Portable Hardness Tester (Model : TH – 130)	Heat Treatment Sales & Services	5	0.53	2.65	2 nd September, 2010



Sr. No	Equipment	Supplier	Quantity	Per Unit Cost (Rs. In Lakhs)	Total Cost (Rs. In Lakhs)	Quotation Date
20	Portable Hardness Tester (Model : TH – 160)	Heat Treatment Sales & Services	6	0.95	5.70	2 nd September, 2010
21	Hydraulic Plate Bending Machine (Model: PSN/30)	Himalaya Machinery Pvt. Ltd.	1	342.64	342.64	14 th August, 2010
22	Hydraulic Plate Bending Machine (Model: PMN/30)	Himalaya Machinery Pvt. Ltd.	1	93.11	93.11	14 th August, 2010
23	Radial Drilling Machine	HMT	2	12.35	24.70	5 th September, 2010
24	Milling Machine	HMT	1	11.15	11.15	5 th September, 2010
25	High Speed Precision Lathe	HMT	2	14.63	29.27	5 th September, 2010
26	Heavy Duty Centre Lathe	HMT	1	53.29	53.29	5 th September, 2010
27	Air Compressor Assembly	Horizon Airtech	4	28.87	115.48	20 th August, 2010
28	Air Dryer	Horizon Airtech	1	5.90	5.90	20 th August, 2010
29	Submerged Arc Welding Set	Miraj Electrical & Mechanical Co.	7	4.25	29.75	11 th August, 2010
30	Columns and Booms (3.5M * 4.3M)	Miraj Electrical & Mechanical Co.	4	10.98	43.92	11 th August, 2010
31	Columns and Booms (5M * 6M)	Miraj Electrical & Mechanical Co.	8	15.10	120.80	11 th August, 2010
32	Self Aligning Rotators (MSAR 10 Tons)	Miraj Electrical & Mechanical Co.	8	5.10	40.80	11 th August, 2010
33	Self Aligning Rotators (MSAR 25 Tons)	Miraj Electrical & Mechanical Co.	4	6.30	25.20	11 th August, 2010
34	Self Aligning Rotators (MSAR 60 Tons)	Miraj Electrical & Mechanical Co.	4	9.10	36.40	11 th August, 2010
35	Self Aligning Rotators (MSAR 100 Tons)	Miraj Electrical & Mechanical Co.	3	17.40	52.20	11 th August, 2010
36	Horizontal Metal Cutting Bandsaw, along with requisite accessories	Mistry Laxman Kadwa Machines (P) Ltd.	2	5.73	11.46	9 th August, 2010



GEMINI ENGI-FAB LIMITED

Sr. No	Equipment	Supplier	Quantity	Per Unit Cost (Rs. In Lakhs)	Total Cost (Rs. In Lakhs)	Quotation Date
37	Tig Welding Machine	Nivek Agencies	4	4.12	16.48	8th September, 2010
38	Mig Welding Machine	Nivek Agencies	2	1.34	2.68	8th September, 2010
39	Welding Rectifier	Nivek Agencies	20	1.38	27.60	8th September, 2010
40	Heavy Duty S.S. & S.C. Lathe	Parksons Engineering Corporations	1	44.45	44.45	9th August, 2010
41	Hydraulic Torque Wrench	Pioneer Intertrade	2	6.95	13.90	6 th September, 2010
42	Bevelling Machine	Pioneer Intertrade	1	14.34	14.34	6th September, 2010
43	Portable Magnetic Drilling Machine	Pioneer Intertrade	1	0.90	0.90	6th September, 2010
44	Hydro Test System	Pressure Jet Systems Pvt. Ltd.	3	2.62	7.86	10th August, 2010
45	Bare Pump	Pressure Jet Systems Pvt. Ltd.	2	1.30	2.60	10th August, 2010
46	Lift EOT Crane (15 tonnes, 18 mts. Span)	Demag Cranes & Component	2	58.63	117.26	12 th June, 2010
47	Lift EOT Crane (25 tonnes, 16 mts. Span)	Demag Cranes & Component	2	59.55	119.10	12th June, 2010
48	Lift EOT Crane (50 tonnes, 20 mts. Span)	Demag Cranes & Component	2	156.10	312.20	12th June, 2010
49	Lift EOT Crane (10 tonnes, 16 mts. Span)	Demag Cranes & Component	1	31.81	31.81	12th June, 2010
50	Lift EOT Crane (5 tonnes, 12 mts. Span)	Electromech	2	14.68	29.36	12th June, 2010
51	Airless Spray Painting Equip (Type: Tiger 40.110)	VR Coatings Pvt. Ltd.	1	1.16	1.16	9 th August, 2010
52	Airless Spray Painting Equip (Type: Rhino 55.275)	VR Coatings Pvt. Ltd.	1	1.78	1.78	13th August, 2010
53	Hydraulic Pallets	Yash Engineers	10	0.16	1.60	20 th August, 2010

Sr. No	Equipment	Supplier	Quantity	Per Unit Cost (Rs. In Lakhs)	Total Cost (Rs. In Lakhs)	Quotation Date
54	Miscellaneous Items					
	315 KVA Transformers	PACTIL	2	2.90	5.80	1st September, 2010
	Mitutoyo-make Portable Tester & accessories	Bombay Tools Supplying agency	1	2.93	2.93	9th August, 2010
	Fume Extraction System	Mogora Cosmic	2	3.08	6.16	9th September, 2009
	Horizontal Boring Machine	Kamla Foundry	1	16.50	16.50	15th December, 2009
	Model Ostrich 200 P Cutting Machine	SEC Machine	2	1.95	3.90	No Date
Gross Total**					2,251.11	

* To be fabricated by our Company

** The total amount as stated is exclusive of duties and taxes. As per management estimates, the duties and taxes for the plant and machinery would be approximately Rs.450.00 lakhs. Further, cost relating to loading, unloading, freight, octroi, erection and installation is expected at 2% of total cost which works out to Rs.54.00 lakhs.

Imported Machinery

Our Company would like to buy imported machinery for the process of drilling machines for tube sheet from Korea and quotation received dated 19th August, 2010 from Prime Machine Tools for model no. DMBC - 1000 CNC is US \$ 778,800 converted to Indian Rs. 370.74 lakhs as per (USD = 47.60 INR as on 8th September, 2010). Customs duties and other duties were estimated at approx. 34% of the cost of Material, which is around Rs. 126.05 lakhs. Erections charges are estimated at Rs. 15 lakhs. Thus, total cost of imported machinery is estimated to be Rs. 511.79 lakhs.

Also, as per quotation received dated 8th September, 2010, for Hungary-made Radial Drilling Machine Model No. BH 75/2000 from Synergic Technical Solutions is Euro 65,607 converted to Indian Rs. 39.364 lakhs as per (Euro = 60.0 INR as on 8th September, 2010). Customs duties and other duties were estimated at approx. 34% of the cost of Material, which is around Rs. 13.38 lakhs. Erections charges are estimated at Rs. 3.30 lakhs. Thus, total cost of imported machinery is estimated to be Rs. 56.04 lakhs.

Thus, total cost of imported machinery is estimated to be Rs. 567.83 lakhs.



GEMINI ENGI-FAB LIMITED

MISCELLANEOUS FIXED ASSETS

Electric Installations, Interior Designing & other fixed assets

We would incur Rs. 322.28 lakhs on electric installations, furniture and other assets. The estimated cost including the cost of HT and LT installations, computers, furniture and vehicles are set forth in the following capital expenditure plan.

Sr. No.	Proposed expenditure Programme	Amount (Rs. in Lakhs)
1	Electric installations	164.71
2	Interior designing	84.52
3	Cost of other fixed assets	73.05
	Total Cost	322.28

Electric installations

As per estimate received from Subaash Electrical Private Limited, vide their letter dated 7th September, 2010 the cost of HT and LT installations is estimated at Rs. 158.15 lakhs, while as per the estimate received from Gurukrupa Electricals, vide their letter dated 1st September, 2010, other related cost of electric installations is estimated at Rs. 6.56 lakhs. The details are as follows:

Sr. No.	Proposed expenditure Programme	Amount (Rs. in Lakhs)
1	HT Electrical Installation Works	62.00
2	LT Electrical Installation Works	96.15
3	Miscellaneous related charges	6.56
	Total Cost	164.71

Interior Designing

As per estimate received from Rashmin Vadgama, Interior Designer, vide their letter dated 25th August, 2010 the cost of furniture, fixture and other installations is estimated at Rs. 84.52 lakhs which includes work at administration building, staff quarters, canteen, security cabin.

Other Fixed Assets

The total cost of other fixed assets is estimated at Rs. 73.05 lakhs, details of which are as under:

Sr. No	Equipment	Supplier	Quantity	Unit Cost (Rs. in Lakhs)	Total Cost (Rs. in Lakhs)	Quotation Date
1	Computers, laptops, printers and other installations	Newel Computers	-	-	24.54	14 th September, 2010
2	Air Conditioners (including installation charges)	A2 Air Conditioning Co.	43	0.41	17.97	5 th September, 2010
3	Vehicles	Toyota Lakozy Auto Pvt. Ltd.	2	15.27	30.54	8th September, 2010
	Total Cost				73.05	

PRESENT INFRASTRUCTURAL FACILITIES:

The gist of the manufacturing facilities is as follows:

- Unit – I : 1504, GIDC Umbergaon – 396 171; Dist. Valsad, Gujarat (India)
- Unit – II : 1505, GIDC Umbergaon – 396 171; Dist. Valsad, Gujarat (India)
- Unit – III : 1506, GIDC Umbergaon – 396 171; Dist. Valsad, Gujarat (India)

The following table sets forth details of the abovementioned properties taken on lease/leave and license by us:

Sr. No.	Location	Current Usage	Area (in square Meters)	Nature of Agreement	Lessor/ Licensors	Validity of Agreement
1	Plot No. 1504, Umbergaon Industrial Estate, Village-Umbergaon-396 171, Taluka-Umbergaon, District-Valsad, Gujarat, India	Factory premises	2,030	Leave and License Agreement dated 1 st October, 2004. Renewed on 21 st June, 2008	M/s Expert Engineers, a partnership firm of the Promoters	59 months from 21 st June, 2008. Balance period-31 months w.e.f. 22 nd September, 2010.
2	Plot No. 1505 at Umbergaon Industrial Estate, Village – Umbergaon, Taluka-Umbergaon- 396 171, District-Valsad, Gujarat, India	Factory Premises	2,030	Agreement dated 28 th September, 2006	Gujarat Industrial Development Corporation	99 years from 25 th September, 2006. Balance period-95 years w.e.f. 26 th September, 2010.
3	Plot No. 1506, Umbergaon Industrial Estate, Village-Umbergaon-396 171, Taluka-Umbergaon, District-Valsad, Gujarat, India	Factory Premises	2,017	Agreement dated 5 th April , 2006	Gujarat Industrial Development Corporation	99 years from September 26, 1985. Balance period-74 year's w.e.f. 27 th September, 2010. Deed of assignment dated May 3, 2006

Power

Existing Plants:

The government has approved contract load of 37KW from Dakshin Gujarat Vij Co. Limited for each of the units 1504 and 1506.

Proposed Plant:

The company would have a requirement of 475 KVA post completion of the project. The company is yet to obtain the requisite approvals from the concerned authorities. Also the company is in the process of installing DG sets for additional power of around 350 KVA.



GEMINI ENGI-FAB LIMITED

Water

Existing Plants:

Water is used for general purposes at our factory premises. Water is also used for hydraulic testing of fabricated equipments. Our water consumption is 30 kilo liters per month, which is met by water supply from Gujarat Industrial Development Corporation.

Proposed Plant:

25 kilo liters per day will be required at the works and same will be drawn from in house borewell which shall be sufficient to meet its requirements.

Human Resources

The company currently has total manpower strength of 27. Out of these 11 are deployed at the plant and 16 are recruited at the corporate / registered office of the company at Malad, Mumbai. The team includes qualified and semi-qualified manpower. There has been a decent team size and the same are being adequately deployed. There are various team building measures and other initiatives in the organization to ensure that the labour turnover is kept at a minimal level. The manpower details are as follows:

Category	Number of Employees		
	Present	Proposed	Total
Administrative Staff	16	25	41
Factory Staff	5	20	25
Skilled Workers	3	35	38
Semi-Skilled Workers	3	35	38
Total Cost	27	115	142

Environmental Aspects

Existing Plants:

Gujarat Pollution Control Board has given its consent for use of outlet of Company situated at Plot No. 1504-1506, GIDC, Umbergaon, Dist. Valsad, Gujarat, for the discharge of trade effluent & emission due to operation of industrial plan for manufacturing of product of our Company as per Consent Order No. 10124 dated August 29, 2008 with validity period up to July 16, 2013.

Proposed Plant:

The project is being implemented at an industrial area which is being developed by GIDC. this area shall have a common system of effluent disposal for all units as well as solid waste disposal system. hence the environmental aspects shall automatically taken care of. We are fully complying with the provisions of Water Act, 1974; Air Act, 1971 and The Environment (Protection) Act, 1986. However, any additional approvals and/or clearances will be duly applied for, if and when required.

Fuel

Our Company does not require fuel in any of the manufacturing process. Though, there are specific gases that are used for manufacturing, namely oxygen gas, and argon gases. These gases are readily available within the vicinity of our manufacturing facilities.

Raw Materials:

Items Manufactured	Raw Materials required
Pressure Vessels	Carbon steel, stainless steel, plates, monel metal, duplex stainless steel, cupro-nickel, titanium and forgings
Heat Exchangers & Tube Bundles	Carbon steel, stainless steel, plates, monel metal, duplex stainless steel, cupro-nickel, titanium and forgings
Tanks	Carbon steel and stainless steel
Columns	Carbon steel and stainless steel, monel metal, duplex stainless steel, cupro-nickel, and forgings

The choice of raw materials depends on the service which is specified by the clients depending on the process requirements. These materials are either indigenously acquired or imported depending upon their criticality and availability. Further, plates, tubes and forgings which are required for heat exchangers and tube bundles are available indigenously. However, some of the critical and special materials, which are not available in the country, have to be imported from international suppliers.

Our Product Portfolio

Fabrication is building of machines, structures, or process equipment as required, by cutting, shaping and assembling components made from raw materials. These equipments are made in various sizes and shapes to serve the demand of various process industries. The specification of the fabricated equipment is also affected by the requirements of individual buyer's vis-à-vis available space, use of raw material and capacities of the corresponding equipment. The name of equipment may be same but the constructional features, techniques and material of construction varies from process to process.



GEMINI ENGI-FAB LIMITED

OUR COMPANY MANUFACTURES THE FOLLOWING PRODUCTS:

HEAT EXCHANGERS



A heat exchanger is a device built for efficient heat transfer from one medium which could be gas or liquid to another medium which could be gas or liquid. This process helps either to heat or cool a particular substance. Heat exchange occurs when medium are separated by a solid wall so that they never mix but the heat exchanges from one medium to other or the medium mix to help form a mixture at a particular temperature. We made our first heat exchanger in the year 2005. We manufacture heat exchangers that are of shell and tube construction. It is a typical heat exchanger, which consists of a series of tubes called tube bundle, enclosed in a shell. The medium need to be heated, for example milk is passed through the tube bundle and the shell has a flow of hot medium viz. steam. This helps transfer the heat from steam in the shell to the milk in the tube. This process can also be reversed where the medium in the tubes is to be cooled.

The product is customized to suit the requirements of the customer. The tube bundle may be of several types like plain, longitudinally finned or circular. The material for construction depends on the pressure, temperature of operation, durability and chemical property of both the mediums. The shell thickness and the tube thickness depend on the pressure of the mediums.

We have handled shell thickness up to 56 mm. We have handled equipment of diameter of up to 1525 mm and length (tube length) up to 7080 mm.

PRESSURE VESSELS



A pressure vessel is a closed container designed to hold gases or liquids at a pressure different from normal pressure. Pressure vessels are of cylindrical or spherical type. We made our first pressure vessels in the year 2004. The product is customized to suit the requirements of the customer. The vessel may be horizontal or vertical in shape. The material for construction depends on the pressure, temperature of operation, durability and chemical property of medium to be stored. The body depends on the pressure of medium to be stored. We have handled pressure vessels capable of holding material temperature of 500 Celsius and operating pressures of 7 Kg/ square cms, having a total volume of 25 cubic mtrs.

STORAGE VESSELS



Storage Vessels are vessels to hold material. We made our first storage vessel in the year 2004. The product is customized to suit the requirements of the customer. The vessel may be horizontal or vertical in shape. The material for construction depends on the pressure, temperature of operation, durability and chemical property of medium to be stored. We have handled storage vessels capable of holding 110 cubic mtrs.

COLUMNS



Columns are tall vertical vessels with a number of nozzles. The internal of the column consists of a series of plates or trays for separating substances based on differences in their volatilities in a boiling liquid mixture. We made our first column during the year 2004.

The product is customized to suit the requirements of the customer. The length of the vessel may vary in different industry and also from unit to unit. They may also have trays at various heights as per design requirements. The tray may be of customized sizes as well as material as per the product requirements. The material for construction depends on the pressure, temperature of operation, durability and chemical property of the input as well as the distilled material mediums. The shell thickness depends on pressure of the medium, temperature and is directly related to the length of the column.

We have handled shell thickness up to 10 mm. We have handled equipment of diameter of up to 1400 mm. and length up to 14553 mm.

SALVAGING OF EQUIPMENTS



BEFORE



AFTER

Apart from the manufacturing of the above products we have extended our line of business to salvaging. After a designated life span, equipments need to be replaced on account of wear and tear over the working life of the machine. Salvaging as the name suggests is the process of extracting usable parts from damaged, failed, corrupted or unusable equipment which would normally be discarded as scrap; and reuse them in the equipment.

We dismantle old equipment from the plants and transport them to our fabrication shop. The usable portions of the equipments are extracted for reuse. The designing and use of new material is in conjunction with the old material so as to use the maximum available material. The parts are then joined using the same process as used during general manufacture. This alternate gives faster delivery to the client as only parts of the equipment are to be manufactured; it also results into huge cost savings to the customer. This activity requires more planning, critical skill to dismantle and precision to remake the equipment as new.

TECHNOLOGY & MANUFACTURING PROCESS

Technology of Fabrication

Fabrication involves a combination of various mechanical processes including welding, soldering, brazing, forming, pressing, bending and stress removal. Welding is a major process in Fabrication Industry all the joining is done by welding process using the different type of electrical depending on the material to be welded. The major types of welding processes are:

- Submerged arc welding - used for longitudinal welding
- MIG CO2 welding - used for galvanized steels and steels < 2.5 mm thick
- TIG welding - for stainless steel
- Manual arc welding - for small jobs & general steel applications

Process Advantages

Compared to a casting, the fabrication process has following merits:

- A fabricated piece weighs less;
- Most ferrous and non-ferrous materials can be fabricated;
- Fabricated items involve lower investments as against that in a foundry (for cast components);
- Fabrications can be done on site;
- Single piece or multiple batches can be fabricated without recourse to patterns, dies, etc.; and
- Shape & size are not a consideration in a fabrication job

Source: (http://www.indiamarkets.com/imo/industry/industry_home.asp?display_content_link=0&search_link=0)

The products offered under fabrication industry have multiple use in various industry segments viz. cement, dairy, refinery, pharmaceutical, petrochemical, power, sugar, chemical, and ship building / repair.

The Industry is highly fragmented, project oriented industry. The fabrication industry has a market size of Rs. 7500 Crores (US \$ 1,744 Million) per annum. The major activities comprises of fabricated equipments steel structures and transmission towers. The end product is generally fabricated equipment, which does the chemical process to roll out the product, which the fabricated equipments are designed to carry out, as per the requirements. The major players in fabrication are L&T, Southern Structural, Bellary Steels, Binny Engg, etc. which have machine shops to 'finish' the end product.

Fabrication industry depends on Government spending and large Industrialist spending. It requires large investment especially capital goods industry. The growth in this industry will be 5-6% per annum. The fabrication industry growth depends on the growth in the engineering sector, especially capital goods industry and construction industry which will drive the demand for small units.



GEMINI ENGI-FAB LIMITED

Our Property

The following table sets forth details of the properties purchased and owned by us:

Sr. No.	Location	Current usage	Area (in square feet)	Consideration (Rs. In Lakhs)
1	Unit bearing no. 501, Link Road, Malad (West), Taluka Borivali, Mumbai, Maharashtra	Registered Office	2,120	78.98
2	Unit bearing no. 805, Link Road, Malad (West), Taluka Borivali, Mumbai, Maharashtra	Given on leave and license to Mahesh Tutorials for a period from 15 th July, 2010 to 14 th July, 2013	1,020	38.07
3	Gala No. 103-C, C-Wing, Building no. 5 of Akshay Mittal Industrial Co-operative Society Limited, M.V. Road, Marol, Andheri (E), Mumbai – 400059	Given on leave and license to M/s. Sanfield (India) Limited for a period from 1 st April, 2008 to 31 st March, 2011	1,291	19.36
4	Gala No. 3, Building no. 2 of Sanjay Mittal Industrial Cooperative Society Limited, M.V. Road, Marol Naka, Andheri (E), Mumbai – 400059	Given on leave and license to Citi-financial Consumer Finance India Limited for a period from January 10, 2008 to January 9, 2013	1,225	24.50
5	Unit No. 5, Ground Floor, Building no. 2 of Sanjay Mittal Industrial Co-operative Society Limited, Andheri Kurla Road, Andheri (E), Mumbai – 400059	Given on leave and license to Citi-financial Consumer Finance India Limited for a period from January 10, 2008 to January 9, 2013	1,230	18.50
6	Agriculture Land being survey no. 62, 147, 148 situated at Village Palgam, Taluka Umbergaon, District Valsad, Gujarat*	For proposed expansion	5,91,811 (54,981Sq. Mtrs)	326.40

*Due approvals for conversion of agricultural land for Industrial uses has already been received

The following table sets forth details of the properties taken on lease/leave and license by us:

Sr. No.	Location	Current Usage	Area (in square Meters)	Nature of Agreement	Lessor/ Licensor	Validity of Agreement
1	Plot No. 1504, Umbergaon Industrial Estate, Village-Umbergaon-396 171, Taluka-Umbergaon, District-Valsad, Gujarat, India	Factory premises	2,030	Leave and License Agreement dated 1 st October, 2004. Renewed on 21 st June, 2008	M/s Expert Engineers, a partnership firm of the Promoters	59 months from 21 st June, 2008. Balance period-31 months w.e.f. 22 nd September, 2010.
2	Plot No. 1505 at Umbergaon Industrial Estate, Village – Umbergaon, Taluka-Umbergaon- 396 171, District-Valsad, Gujarat, India	Factory Premises	2,030	Agreement dated 28 th September, 2006	Gujarat Industrial Development Corporation	99 years from 25 th September, 2006. Balance period-95 years w.e.f. 26 th September, 2010.
3	Plot No. 1506, Umbergaon Industrial Estate, Village-Umbergaon-396 171, Taluka-Umbergaon, District-Valsad, Gujarat, India	Factory Premises	2,017	Agreement dated 5 th April, 2006	Gujarat Industrial Development Corporation	99 years from September 26, 1985. Balance period-74 year's w.e.f. 27 th September, 2010. Deed of assignment dated May 3, 2006

Note: Equitable mortgage has been created on Mumbai owned properties, in favour of the lenders who have extended loan facilities in the normal course of business.

Purchase of Property

Except as stated in section titled “Objects of the Issue” in this Draft Prospectus on Page No. 59, there is no property which the Company has purchased or acquired or propose to purchase or acquire which is to be paid wholly, or in part, from the net proceeds of the Issue or the purchase or acquisition of which has not been completed as on the date of filing of this Draft Prospectus with SEBI, other than property:

- The contract for the purchase or acquisition whereof was entered into in the ordinary course of the business, the contract not being made in contemplation of this Issue, nor this Issue in contemplation of the contract; or
- In respect of which the purchase money is not material.

Except as stated in the section titled “Related Party Transactions” on Page No. 174 of this Draft Prospectus, the Company has not purchased any property in which any Directors, have any direct or indirect interest in any payment made thereof.



Insurance

We maintain standard insurance policies for our physical assets and employees. The insurers of the Company are Bajaj Allianz General Insurance Company Limited and the New India Assurance Company Limited.

The details of our insurance policies for coverage of our assets, stocks and public liability are as under:

Sr. No.	Insurance Details	Policy No.	Nature of the Policy	Sum Insured (Rs. In Lakhs)	Expiry Date
1	Building and furniture, fixture and fittings - Unit no. 3, Building No. 2, Mittal Industrial Estate, Marol Naka, Andheri (East), Mumbai	OG-10-1901-4001-00009006	Standard Fire and Special Perils Policy	12.30	30 th January, 2011
2	Building and furniture, fixture and fittings - Unit no. 5, Building No. 2, Mittal Industrial Estate, Marol Naka, Andheri (East), Mumbai	OG-10-1901-4001-00009007	Standard Fire and Special Perils Policy	12.30	30 th January, 2011
3	Building and furniture, fixture and fittings – 103-C, Sanjay Building No. 5, Mittal Industrial Estate, Marol Naka, Andheri (East), Mumbai	OG-11-1901-4001-00003999	Standard Fire and Special Perils Policy	13.30	29 th September, 2011
4	Building and furniture, fixture and fittings - Unit no. 805, Palm Spring, Next to 'D' Mart, Malad Link Road, Malad (West), Mumbai	OG-10-1901-4001-00009251	Standard Fire and Special Perils Policy	21.15	1 st February, 2011
5	Building and furniture, fixture and fittings - Unit no. 501, Palm Spring, Next to 'D' Mart, Malad Link Road, Malad (West), Mumbai (Registered Office)	OG-10-1901-4093-00000375	Office Package Policy*	65.82	5 th February, 2011
6	Public Liability at our Factory at Umbergaon (units 1504, 1505, 1506) covering Plant & Machinery, other assets, Inventory, Public Liability	140104/36/10/38/0000096	Public Liability Industrial Risk	50.00	26 th September, 2011
	Total			174.87	

*Includes insurance for Building and contents, plate glass, office equipments, electronic equipments, portable computers and public liability

In addition to the above, we have also taken vehicle insurance policies, details of which are as follows:

Sr. No.	Vehicle Insurance Details	Policy No.	Nature of the Policy	Sum Insured (Rs. In Lakhs)	Expiry Date
1	Mercedes Model: C-230 (From ICICI Lombard General Insurance Company Limited)	3001/59084787/00/000	Private Car Package Policy	32.66	23 rd March, 2011
2	Honda Model: City ZX (From Bajaj Allianz General Insurance Company Limited)	OG-10-1901-1801-00038478	Private Car Package Policy	5.20	17 th March, 2011
3	Maruti Model: Zen Estilo VXI (From Bajaj Allianz General Insurance Company Limited)	OG-10-1901-1801-00000538	Private Car Package Policy	2.17	8 th April, 2011
	Total			40.03	

Also, transit insurance policy is taken only when material are in transit.

KEY BUSINESS STRENGTHS

Our Strengths

Multi-product capability

As we are into manufacturing of customized equipments, we have multi-purpose manufacturing facility. This helps us to produce multiple equipments, each different from the other; using combination of processes, helping us develop a multi product capability. This helps us cater to various process equipments viz. heat exchangers, pressure vessels, tanks and storage vessels. We believe that our product range would enable us to expand our business from existing customers, as well as address a larger base of potential new customers.

Operation in diverse Industry

Our Company has a product mix to cater to the increasing requirements of our various customers in the public as well as private sector. The product range offered by us is used in different industries namely cement, dairy, refinery, pharmaceutical, petrochemical, power and chemical. Our operations are spread across various industries that enable us to decrease our dependence on any one particular industry.

Order Book

The value of our Order Book as at September 30, 2010 was Rs. 1701.74 lakhs. We have continued to add to our Order Book at a steady pace, having added contracts worth Rs. 779.23 lakhs to our Order Book during the period from April 1, 2010 to September 30, 2010. Further, our Order Book is diversified sector-wise which is an added advantage as it helps in mitigating the industry specific risk factors.



GEMINI ENGI-FAB LIMITED

Our Quality

Quality has been of utmost importance in all the work that the company does. The company has been able to sustain and develop its clientele due to the high quality standards that it offers. It has been able to nurture a fruitful and long term association with its clients.

Due to its continuous endeavor to uphold the highest standards in terms of quality of its products and services, the company has been awarded the following certification/accreditations:

- The company was awarded the certificate by the American Society of Mechanical Engineers (ASME) for manufacture of pressure vessels at the existing location of the company.
- The company was authorized to apply the mark NB on its pressure vessels and other pressure retaining items by The National Board. This certificate is valid till November 4, 2011.
- ISO 9001:2008 in December 29, 2009 which is valid till December 14, 2012

Experienced Management Team

We have an experienced management team. Our Chairman Mr. Dalpatram J. Panchal has more than 37 years of experience in engineering and fabrication. Mr. Rakesh D. Panchal, Mr. Ashish D. Panchal and Mr. Hitesh D. Panchal are having more than 10 years of experience in engineering and fabrication.

SWOT ANALYSIS & CONCLUSION

Strengths	Weakness
Registered vendors of PSUs and large corporate	Dependency on Economic Growth
Approved by reputed accredited standardizing Agencies	Need to implement an ERP & develop management bandwidth to cope up with proposed expansion
In depth knowledge about the domestic as well as international market.	Lack of nation-wide presence.
Knowledge of Industry - Commercial & Technical.	
Established Manufacturing facility.	
Experienced management team. Promoters are experienced and have been in this line for more than 28 years	
Diverse industrial client base so mitigates risk due to concentration and dependence	
Opportunities	Threats
Potential to add capacity in the existing facility	Industry is prone to change in government policies; any material changes in the duty may adversely impact our financials.
Increased thrust on industrialization will open doors for more orders to the company	The raw material prices are prone to price fluctuations which may adversely impact our profitability and financials.

BUSINESS STRATEGY

Expansion of Manufacturing Capacity

Our Company plans to set up a new manufacturing unit at Umbergaon, Gujarat. This facility would have better machinery like a plate bending machine, a tube sheet drilling machine, SAW machines with motorized rotators and electrically operated cranes which will not only help us handle larger or heavier material but also to work on it with better precision. These automated machineries will increase our efficiency and help us in cost control. This facility would also include a larger work space to handle more equipment.

Increasing Geographical Reach

Our Company has received ASME U STAMP, a globally recognized code for manufacturer certification, quality assurance, design, materials, manufacturing and testing of power boilers, heating boilers and pressure vessels. We plan to increase our customer base in the existing domestic markets and also cater to global market through this accreditation.

Expansion of Customer Base

With the increased facilities in place the company intends to tap other customer markets and sectors which it was hitherto not able to enter due to its limited scale of operation. With the advent of industrial activities and the continuing boom in the industrial scenario, the company foresees an exponential growth in its customer base post the setting of the additional facilities.

Increasing Product Range

One of the parameters of securing a tender is the capacity to lift the section of the equipments as well as the final product. We have crane lifting capacity of 27 tons which limits us to secure tenders for equipments equal to or below 27 tonnes. Our proposed expansion facility will have crane lifting capacity of 125 tonnes. This will improve our eligibility to participate for tenders of equipments weighing upto 125 tonnes thereby catering to increased number of industry segment with diversified product range.

Enhancing In-House Capabilities

We are presently dependent on job-workers for different processes like rolling above 25 mm thickness plates, drilling, moulding and heat treatment. During 2009-10 and six months period ended September 30, 2010, we have paid Rs. 29.60 and Rs. 17.60 lakhs respectively towards job-work for various processes. With the proposed expansion, we will be having in-house facilities for rolling plate's upto 100 mm thickness, heat treatment and drilling. This will reduce our dependence on job workers significantly.

Strengthen Our Relationship with Our Clients

Our Company believes in maintaining long term relationships with our clients in terms of increased sales. We aim to achieve this by adding value to our client service through quality, timely delivery, reliability of our product and resolving of various customer queries and complaints, if any. We also believe that because of our quality, competitive pricing and customer service, we enjoy goodwill amongst our customers.



GEMINI ENGI-FAB LIMITED

Intellectual Property

Our Trademarks and logos are registered with Registrar of Trademarks, Trademark Registry, Mumbai, details regarding our trademarks and logos are as follows:

Date of Application	Certificate Number	Certificate Date	Certificate Validity	Trademark
30 th June, 2008	861959	30 th March, 2010	30 th June, 2018	GEMINI ENGI-FAB LIMITED
30 th June, 2008	862077	30 th March, 2010	30 th June, 2018	G DEVICE MARK

GEMINI ENGI-FAB LIMITED



Our Indebtedness

The following table sets forth details of the fund based limits enjoyed by our Company:

Bank/Types of Credit Facilities	Amount Sanctioned	Rate of Interest	Repayment and Interest	Security/Collateral
The Bharat Co-operative Bank Limited (Marol, Mumbai)				1.Hypothecation charge over stock and book debts and existing machineries;
- Cash Credit	Rs. 950 Lakhs	12.5 % p.a. (at present)	Repayment on demand	2.Continuation of equitable mortgage by deposit of title deeds of:
- Term Loan	Rs. 99.00 Lakhs	12.5 % p.a. (at present)	Repayable in 80 equated monthly installment of Rs. 1.70 lakhs	(a) Unit no. 3,4,5 in Sanjay Mittal Industrial Premises Co-op. Soc. Limited, Sir M.V. Road, Marol, Andheri (East), Mumbai-59 (b) Unit No. 103-C in Building No.5, Akshay Mittal Industrial Premises, Co-op. Soc. Limited, Sir M.V. Road, Marol, Andheri (East), Mumbai-59 (c) Unit No. 501 & 805 in Palm Spring Centre, Malad Link Road, Malad (West), Mumbai-400 064 3.Hypothecation charge over existing machineries 4.Lien over Term Deposits and Recurring Deposit. 5. Sureties: Mr. Dalpatram J. Panchal; Mrs. Sunita D. Panchal, Mr. Rakesh D. Panchal

In addition to the above, we have non-fund based limits from Bharat Co-operative Bank Limited and vehicle loans from ICICI Bank Limited and Kotak Mahindra Bank Limited.

Restrictive Covenants in Loan Agreements

Our Company is subject to certain restrictive covenants of loan agreements entered into with our Bankers, which are usual and customary. These restrictive covenants require our Company to seek the prior consent of the banks for various activities, including amongst others, effect any change in the capital structure, make any changes in its management setup, formulate any scheme of amalgamation, merger or reconstitution, enter into additional borrowing arrangements, implement any scheme of expansion or acquire fixed assets of substantial value, undertake any guarantee obligations on behalf of any other company/ firm, declare dividend more than the net profit of the year, making investments in or granting loans to subordinates, associate concerns individuals etc.



4.3 Regulations and Policies

The following description is a summary of the relevant regulations and policies as prescribed by the Central and State Governments. The information detailed in this chapter has been obtained from the various legislations that are available in the public domain. The content set out below is by way of an illustration and is not an exhaustive list of all statutes applicable to our Company's operations.

KEY INDUSTRY REGULATIONS

We are engaged in the business of manufacturing and salvaging of process equipments through fabrication for various process industries, namely, cement, dairy, refinery, pharmaceutical, petrochemical, power and chemical. Under the provisions of various Central Government and State Government statutes/legislations, our Company is required to obtain and regularly renew certain licenses/registrations and/or to seek statutory permissions to conduct our business and operations.

The various statutes under which material registrations/licenses/consents /permissions are required to be obtained by us are set out below:

1. The Indian Stamp Act, 1899
2. The Workmen Compensation Act, 1923
3. The Payment of Wages Act, 1936
4. The Central Excise Act, 1944
5. The Factories Act, 1948
6. The Employees State Insurance Act, 1948
7. The Industries Development and Regulations Act, 1951
8. The Employee's Provident Funds and Miscellaneous Provisions Act, 1952
9. The Companies Act, 1956
10. The Central Sales Tax Act, 1956
11. The Maternity Benefit Act, 1961
12. The Income Tax Act, 1961
13. The Payment of Bonus Act, 1965
14. The Water (Prevention and Control of Pollution) Act, 1974
15. The Hazardous Waste (Management and Handling) Rules, 1989
16. The Environment Impact Assessment Notification, 1994
17. Payment of Gratuity Act, 1972;
18. Shops and Commercial Establishments Acts,
19. The Custom Tariff Act, 1975
20. The Air (Prevention and Control of Pollution) Act, 1981
21. The Environment (Protection) Act, 1986
22. The Foreign Trade (Development & Regulation) Act, 1992
23. The Finance Act, 1994
24. Foreign Exchange Management Act, 1999
25. The Trade Marks Act, 1999
26. Value Added Tax legislations in various states
27. The Indian Copyright Act, 1957
28. The Contract Labour (Regulation and Abolition) Act, 1970

LABOUR LAWS

There are various legislations in India which have defined 'employee' and 'workman' based on factors which inter-alia include nature of work and remuneration. People who come under the definition of workman or employee are entitled to various statutory benefits including bonus, retirement benefits and insurance protection.

Termination of the employment of a non-workman is governed by the terms of the relevant employment contract. As regards a 'workman', the Industrial Disputes Act, 1947, sets out certain requirements in relation to the termination of services. These include a detailed procedure prescribed for resolution of disputes, removal and certain financial obligations upon retrenchment. The applicability of such laws depends on the number of workers employed and their monthly remuneration.

The Factories Act, 1948

The Factories Act, 1948 ("Factories Act") seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. The Factories Act defines a 'factory' to cover any premises, which employs ten or more workers and in which manufacturing processes are carried on with the aid of power, and to cover 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 set out rules in respect of the prior submission of plans and its approval for the establishment of factories and registration and licensing of factories.

Employees State Insurance Act, 1948

The Employees State Insurance Act, 1948 (the "ESI Act") provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

Employees Provident Fund and Miscellaneous Provisions Act, 1952

The Employees Provident Fund and Miscellaneous Provisions Act, 1952 provides for the institution of compulsory provident funds, pension funds and deposit linked insurance funds for the benefit of employees in factories and other establishments. A liability is placed both on the employer and the employee to make certain contributions to the funds mentioned above.

The Maternity Benefit Act, 1961

The purpose of the Maternity Benefit Act, 1961, is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period during and after their pregnancy. It provides, inter-alia, for payment of maternity benefits, medical bonus and enacts prohibitions on dismissal, reduction of wages paid to pregnant women, etc.



GEMINI ENGI-FAB LIMITED

The Payment of Bonus Act, 1965

Under the Payment of Bonus Act, 1965, an employee in a factory who has worked for at least 30 working days in a year is eligible to be paid bonus. The minimum bonus to be paid to each employee is the highest of 8.33% of the salary or wage or Rs.10 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 twenty per cent of such salary or wage. '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.

ENVIRONMENTAL LAWS

Manufacturing units must ensure compliance with environmental legislation, such as the Water (Prevention and Control of Pollution) Act 1974 ("Water Act"), the Air (Prevention and Control of Pollution) Act, 1981 ("Air Act"), and the Environment Protection Act, 1986 ("EPA"). The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards ("PCBs"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the PCBs, which are indicative of the fact that the industry in question is functioning in compliance with the pollution control norms. These consent orders are required to be kept renewed.

The Water (Prevention and Control of Pollution) Act, 1981

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of standards set down by the State Pollution Control Board ("State PCB"). The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which is likely to discharge sewage or effluent.

The Air (Prevention and Control of Pollution) Act, 1981

The Air Act requires that any individual, industry or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must apply in a prescribed form and obtain consent from the state pollution control board prior to commencing any activity. The State PCB is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed. Within a period of four months after the receipt of the application for consent the State Board shall, by order in writing and for reasons to be recorded in the order, grant the consent applied for subject to such conditions and for such period as may be specified in the order, or refuse consent.

The Hazardous Wastes (Management and Handling) Rules, 1989

The Hazardous Wastes (Management and Handling) Rules, 1989 require that the occupier and the operator of the facility that treats hazardous wastes, must properly collect, treat, store or dispose the hazardous wastes without adverse effects on the environment. Moreover, they must take steps to ensure that persons working on the site

are provided adequate training and equipment for performing their work. When an accident occurs in a hazardous site or during transportation of hazardous wastes, then the relevant State PCB has to be immediately alerted. If, due to improper handling of hazardous waste, any damage is caused to the environment, the occupier or the operator of the facility must pay the necessary remedial expenses.

REGULATION OF FOREIGN INVESTMENT

The Foreign Exchange Management Act, 1999

Foreign investment in India is governed primarily by the provisions of the Foreign Exchange Management Act, 1999 ("FEMA"), which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion ("DIPP"), Government of India which is regulated by the Foreign Investment Promotion Board ("FIPB").

The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. As laid down by the FEMA Regulations, no prior consents and approvals is required from the RBI, for Foreign Direct Investment ("FDI") under the "automatic route" within the specified sectoral caps. In respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI.

For further information on the aforementioned registrations, please refer to the section titled 'Government/ Statutory and Other Approvals' on Page No. 201 of this Draft Prospectus.

FOREIGN TRADE

The Foreign Trade (Development & Regulation) Act, 1992

The Foreign Trade (Development & Regulation) Act, 1992, is to provide for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from India and for matters connected therewith or incidental thereto.



GEMINI ENGI-FAB LIMITED

4.4 HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as a private limited company in the name of “Gemini Engi-Fab Private Limited” on January 12, 1998. In the year 2007, Gemini Engi-Fab Private Limited was converted into a public limited company with effect from January 9, 2007 under the name of “Gemini Engi-Fab Limited”. We are engaged in manufacturing and salvaging of process equipments through fabrication for various process industries, namely, cement, dairy, refinery, pharmaceutical, petrochemical, power and chemical. Fabrication is building of machines, structures, or process equipment as required, by cutting, shaping and assembling components made from raw materials.

We started our operations in the financial year 1998-99 with manufacturing of spares, channel heads, tube sheets and tube bundles for refineries in an industrial shed at Andheri in Mumbai. In the year 2001, we purchased a unit in the same industrial estate to expand our operations. During 2003, we further expanded our operations by purchasing another unit adjoining the existing location.

On October 1, 2004 we entered into leave and license agreement with M/s Expert Engineers, a registered partnership firm of the Promoters for using and occupying the factory premises including the machineries and other fittings and fixtures therein located at Plot No. 1504, GIDC, Umbergaon, District Valsad, Gujarat. The said agreement is valid till August 31, 2009. We have now entered into an agreement dated June 21, 2008 whereby we have agreed with M/s Expert Engineers to take the premises on leave and license basis for a further period of 59 months i.e. till May 20, 2013. Further, by way of this agreement the parties have agreed to approach GIDC to seek permission for transfer of lease hold rights or execution of sub-lease with respect to premises at Plot No. 1504, GIDC, Umbergaon, District Valsad, Gujarat in favour of our Company.

In the year 2005, we entered into manufacturing of heat exchangers for refineries and dairy plants. In the year 2006, we had taken Plot no. 1505 and Plot no. 1506 on lease from GIDC, which are adjacent to Plot No. 1504. We expanded our operations by setting up manufacturing facilities in Plot no. 1506 and were able to manufacture pressure vessels, storage vessels, tanks, heat exchangers, distillation and absorption columns with various types of ferrous and non ferrous materials like carbon steel, stainless steel, nickel, copper, monel, inconel, brass and titanium. With the expansion, our weight handling capacity increased from 18 tonnes to 27 tonnes.

During 2006-07 we entered into salvaging of equipments. Salvaging as the name suggests is the process of extracting usable parts from damaged, failed, corrupted or unusable equipment which would normally be discarded as scrap; and reuse them in the equipment.

In the financial year 2007-08, our Company shifted its Mumbai operations from Andheri to Umbergaon, Gujarat at its existing plant to consolidate all its manufacturing operations. We outsource certain parts and processes of our equipments that we are unable to handle due to our in-house machinery limitation.

Our Main Object(s):

Our main object as contained in our Memorandum of Association is:

“To produce, distribute, trade in, sell, export, import and exhibit all kinds of engineering goods, products and articles and fabrication.”

The main objects clause and the objects incidental or ancillary to main objects clause of the Memorandum of Association of our Company enables us to undertake activities for which funds are being raised in this issue. The existing activities of our Company are in accordance with the objects clause of the Memorandum of Association

Changes in Name:

Dates	Events relating to change of name
January 12, 1998	Incorporated as Gemini Engi-Fab Private Limited
January 9, 2007	Fresh certificate of incorporation consequent to change from private to public limited company.

Changes in Registered Office

Address	Date of Change
2/4, Mittal Industrial Estate, Marol Naka, A.K. Road, Andheri (E), Mumbai-400 059	Since Incorporation
5-C/103, Mittal Industrial Estate, Marol Naka, A.K. Road, Andheri (E), Mumbai-400 059	January 1, 2001
501, Palm Springs, Next to D Mart, Link Road, Malad (West), Mumbai-400 064	January 25, 2007

Major Events of Our Company

Sr. No.	Date	Details
1.	January 12, 1998	Incorporated as Gemini Engi-Fab Private Limited
2.	July 7, 2000	Commenced setting up of owned manufacturing unit in Mumbai
3.	December 17, 2001	Set up second manufacturing unit in Mumbai
4.	June 17, 2003	Set up third manufacturing unit in Mumbai
5.	December 15, 2003	Received ISO 9001:2000 for our Quality Management Systems
6.	October 1, 2004	Entered into leave and license agreement with Expert Engineers, a partnership firm of the Promoters at Umbergaon, Gujarat for using and occupying the factory premises including the machineries and other fittings and fixtures therein
7.	May 3, 2006	Entered into Deed of Assignment for Plot no. 1506, GIDC, Umbergaon, Gujarat
8.	September 25, 2006	Entered into Deed of Assignment for Plot no. 1505, GIDC, Umbergaon, Gujarat
9.	January 9, 2007	Conversion of Gemini Engi-Fab Private Limited into Gemini Engi-Fab Limited, a public company.
10.	February 1, 2008	Shifting of manufacturing operations from Mumbai to Umbergaon, Gujarat.
11.	November 4, 2008	The company was awarded the certificate by the American Society of Mechanical Engineers (ASME) for manufacture of pressure vessels at the existing location of the company.
12.	December 17, 2008	The company was authorized to apply the mark NB on its pressure vessels and other pressure retaining items by The National Board. This certificate is valid till November 4, 2011.
13.	December 29, 2009	Our 9001:2000 for our Quality Management Systems certification was upgraded to ISO 9001:2008 in December 29, 2009 which is valid till December 14, 2012



GEMINI ENGI-FAB LIMITED

Changes in Memorandum of Association of our Company:

Date of Shareholders' Approval	Nature of Amendments
March 9, 2006	Increase in authorized share capital to Rs. 50,00,000
June 12, 2006	Increase in authorized share capital to Rs. 5,00,00,000
January 9, 2007	Conversion from private company to public company
March 27, 2007	Sub-division of equity shares from face value of Rs.100 per share to Rs.10 per share
October 25, 2007	Increase in authorized share capital to Rs. 12,00,00,000
June 2, 2008	Increase in authorized share capital to Rs. 13,00,00,000
October 4, 2010	Increase in authorized share capital to Rs. 20,00,00,000
October 12, 2010	Increase in authorized share capital to Rs. 25,00,00,000

Shareholders' Agreement

There are no subsisting shareholders agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same.

Strategic Partners

Our Company does not have any strategic partners.

Financial Partners

Our Company does not have any financial partners.

Subsidiaries of Our Company

We do not have any subsidiary as on the date of filing of this Draft Prospectus.

Other Agreements

(a) Leave and License Agreement with Expert Engineers

1.	Date of Agreement	June 21, 2008
2.	Parties to the Agreement	Our Company (Licensee) and M/s Expert Engineers (a registered partnership firm of Promoters having Mr. Ashish D. Panchal and Mr. Hitesh D. Panchal as Partners (Licensor)
3.	Base of the Agreement	(i) To seek permission from GIDC with respect to premises at Plot No. 1504, GIDC, Umbergaon, District Valsad, Gujarat for (i) transfer of leasehold rights in favour of Licensee or (ii) execution of sub-lease in favour of Licensee. (ii) Till the transfer of such leasehold rights or execution of sub-lease as mentioned above, use and occupation of the above property
4.	Validity of the Agreement	May 20, 2013
5.	Terms of the Agreement	a) Parties shall approach GIDC to seek permission with respect to premises at Plot No. 1504, GIDC, Umbergaon, District Valsad, Gujarat for (i) transfer of leasehold rights in favour of Licensee or (ii) execution of sub-lease in favour of Licensee. b) Licensee shall pay monthly compensation as mutually agreed upon and fixed at Rs. 0.30 lakh (Rs. Thirty thousand only) towards the use and occupation of the said factory including premises, machineries, furniture, other fittings and fixtures therein, in advance of or before the 10 th day of each month. c) The compensation is exclusive of electricity, water charges and maintenance charges and the same shall be paid by the licensee as per the due dates in time. The Property tax, municipal taxes, ground rent, etc. payable to the GIDC or local authority or to the State Government shall be paid by the licensor.



GEMINI ENGI-FAB LIMITED

4.5 OUR MANAGEMENT

As per the Articles of Association, our Company cannot have less than 3 Directors and more than 12 directors. The Board of Directors comprising of 8 (Eight) directors currently manages our Company.

Mr. Rakesh D. Panchal is the Managing Director of the Board, who looks after Finance and Administrative under the supervision of the Board of Directors. The Managing Director is ably supported by professional and technically qualified team of executives. Mr. Dalpatram J. Panchal is the Chairman.

The following table sets forth the details regarding the Board of Directors as on the date of filing of this Draft Prospectus with SEBI:

Sr. No.	Name, designation, Father's Name, Age , Address, DIN and Occupation	Date of appointment and Term	No. of Shares held & Shareholding (%)	Other directorships / interests
1	Mr. Dalpatram Panchal Chairman S/o Shri Jethalal Panchal Age : 62 Years Address: 203-A, Umang Building, Opp. Dattani Gram, Maturadas Ext. Road, Kandivali (West), Mumbai – 400 067 DIN : 00325389 Occupation: Business Executive–Non independent	12 th January, 1998	2,978,820 23.45%	Promoter/Partner: M/s Gemini Engineers & Fabricators
2	Mr. Rakesh D. Panchal Managing Director S/o Shri Dalpatram Panchal Age: 39 Years Address: 302, Raj Residency III, Mahavir Nagar, Kandivali (West), Mumbai – 400 067 DIN : 00325481 Occupation: Business Executive-Non Independent	1 st July, 2000 Appointed as Managing Director w.e.f. 1 st February, 2007 for 5 years	2,414,000 19.00%	Promoter/Proprietor: M/s Gem Engineering Services
3	Mr. Ashish Panchal Whole Time Director S/o Shri Dalpatram Panchal Age: 36 Years Address: 501-B, Umang Building, Opp. Dattani Gram, Mathuradas Ext. Road, Kandivali (West), Mumbai – 400 067 DIN: 00325511 Occupation: Business Executive-Non Independent	20 th January, 2006 Re-appointed as Whole Time Director w.e.f. 1 st February, 2007 for 5 years	2,614,310 20.57%	Promoter/Partner: M/s Expert Engineers



Sr. No.	Name, designation, Father's Name, Age , Address, DIN and Occupation	Date of appointment and Term	No. of Shares held & Shareholding (%)	Other directorships / interests
4	Mr. Hitesh Panchal Whole Time Director S/o Shri Dalpatram Panchal Age: 33 Years Address: 203-A, Umang Building, Opp. Dattani Gram, Maturadas Ext. Road, Kandivali (West), Mumbai – 400 067 DIN: 00325541 Occupation: Business Executive-Non independent	20 th January, 2006 Re-appointed as Whole Time Director w.e.f. 1 st February, 2007 for 5 years	2,630,660 20.71%	Promoter/Partner: M/s Expert Engineers
5	Mr. Jayant Chandra Director S/o Shri Pradhanbhai Chandra Age: 41 Years Address: 204, Kasturi Park, S.N. Mehta Marg, New Maniklal Estate, Ghatkopar (West), Mumbai – 400 086 DIN: 02174525 Occupation: Business Non-Executive, Independent	30 th April, 2008	Nil	Promoter/Proprietor: M/s Vision Point Optical and Contact Lens
6	Mr. Sanjit Gohil S/o Shri Babulal Gohil Age:38 Years Address: B/207, Sheetal Samir CHS., Vikas Nagar, Dahanukar Wadi, M.G. Road, Kandivali (West), Mumbai – 400 067 DIN: 01979634 Occupation: Business Non-Executive, , Independent	20 th February, 2008	Nil	Promoter/Proprietor: M/s Navratna Jewellers
7	Mr. Jairaj Desai Director S/o Shri Keshavlal Desai Age: 57 Years Address: 601/603,Betsy Building, 68, Marve Road, Malad (West), Mumbai – 400 064 DIN: 03222238 Occupation: Business Non-Executive, Independent	9 th September, 2010	Nil	Promoter/Proprietor: M/s Hemraj Enterprises India Representative: M/s. Labtex Ltd. (United Kingdom) M/s. Pope scientific India (USA)
8	Mr. Vijay Panchal Director S/o Shri Chhotalal Panchal Age: 43 Years Address: C/702, Opp. Dattani	16 th September, 2010	Nil	Promoter/Proprietor: M/s Keystone



GEMINI ENGI-FAB LIMITED

Sr. No.	Name, designation, Father's Name, Age , Address, DIN and Occupation	Date of appointment and Term	No. of Shares held & Shareholding (%)	Other directorships / interests
	Gram, Maturadas Ext. Road, Kandivali (West), Mumbai – 400 067 DIN: 01820036 Occupation: Business Non-Executive, Independent			

BRIEF BIOGRAPHY OF OUR DIRECTORS

PROMOTERS BOARD OF DIRECTORS

Mr. Dalpatram J. Panchal, Executive Chairman

Mr. Dalpatram J. Panchal, S/o Shri Jethalal Panchal, is 62 years of age. He holds a diploma in mechanical engineering and has over 40 years of experience and in-depth knowledge in the business of fabrication. He is the Chairman of the company and masters all the intricate techniques and subtle nuances of this business.

An Engineering Graduate, Mr. Dalpatram J. Panchal began his professional career and joined Larsen & Toubro in the design department in the year 1969. From there he rose to Senior Design Engineer and worked in different areas like designing, estimation, planning and production.

The making of a man starts at a very early age. On 26th January, 1982, Mr. Dalpatram J. Panchal and his colleague of Larsen & Toubro, Mr. Habil S. Jhaveri jointly promoted a firm named “Gemini Engineers and Fabricators to explore the opportunities in Engineering and Fabrication Industry.

Mr. Dalpatram J. Panchal with his brilliant engineering skill and business expertise guided the company to cater to the industries like chemicals, petro-chemicals, cement, food, dairy, refineries and nuclear power projects.

He started the company on a very small scale, but his hard work, honesty, integrity and command over the subject, paid him off in the form of excellent roster of clients comprising the likes of Larsen & Toubro, Hindustan Petroleum, Bharat Petroleum, Rashtriya Chemicals and Fertilizers, Gujarat Alkalies and Chemicals, Nirma, Reliance etc.

In the year 2007, the Company Gemini Engi-Fab Pvt. Limited was converted into a Public Limited Company under the provisions of Part IX of Indian Companies Act, 1956 in which Mr. Dalpatram J. Panchal is the Chairman.

Mr. Dalpatram J. Panchal is a leader and always leads from the front. He mentors the new generation, policy formulation, strategic planning, and decision making and making the road map of progress to attain greater heights.

It is under the valuable and impeccable aegis of Mr. Dalpatram J. Panchal, that the company has emerged as recognized name in domestic market.

Mr. Rakesh Panchal, Managing Director

Mr. Rakesh Panchal, S/o Shri Dalpatram Panchal is 39 years of age. A SSC pass, Mr. Rakesh is entrepreneurial by nature. Thus, he began his professional career at the age of 21, in the areas of Finance and Marketing. As head of finance, he monitors the company's finances to ensure optimum utilization of the resources

As a Marketing head, he developed strong relations with clients like Hindustan Petroleum, Bharat Petroleum, Rashtriya Chemicals and Fertilizers, Gujarat Alkalies and Chemicals, Nirma, Gujarat Narmada Valley Fertilizers Company, Indian Oil Corporation, Haldia Petro-Chemicals etc. and facilitated the company to scale new heights

Mr. Ashish Panchal, Whole-Time Director

Mr. Ashish Panchal is the third pillar of the company and second son of Shri Dalpatram Panchal. He is 36 years of age and holds Diploma in Mechanical Engineering from the Board of Technical Examinations, Maharashtra State. A technocrat, Mr. A.D. Panchal began his professional career at the age of 22 in the technical department of this company.

He is solely responsible for designing, execution of the order, technical interaction with the clients etc. Apart from monitoring day-to-day activities of his department, he also guides and assists on other activities wherever possible, in order to facilitate the company attain its long term goals.

Under his expert guidance, the company has attained International Quality Standards and processes of fabrication. Through his vision and leadership traits, the company has successfully acquired ISO 9001: 2000 certification in past and ISO 9001:2008 certification at present. He also mentored the company to attain U-Stamp certification from the American Society of Mechanical Engineers (ASME)

Mr. Hitesh Panchal, Whole-Time Director

Mr. Hitesh Panchal, the youngest son of Shri Dalpatram Panchal also continued the tradition of the family and joined the family business. Presently, 33 years of age, Mr. Hitesh is an Under-Graduate and has an experience of 12 years in the area of production management and project execution in the Engineering & Fabrication Industry.

Mr. Hitesh Panchal began his professional career at the age of 18 years, in the production department of this company. Currently, being the whole-time director of M/s Gemini Engi-Fab Limited and sole in-charge of the production unit, he monitors day-to-day activities pertaining to production, Inspection and timely delivery of projects undertaken.



GEMINI ENGI-FAB LIMITED

NON- EXECUTIVE INDEPENDENT BOARD OF DIRECTORS

The company is well placed in the fabrication Industry and has broad based the Board of Directors with some intellectual persons from varied spheres. With the proposed expansion project, the Board is of the view that a fair participation of independent and well informed Directors is necessary. Hence, the Board of the Directors has been widened by adding Independent Directors of repute and integrity and belonging to an array of spheres.

A brief about all the independent directors recently taken on the Board of the Company is placed below

Mr. Jayant Chandra

Mr. Jayant Chandra, 41 years of age, runs his own proprietary concern named Vision Point Optical & Contact Lens and working as an Independent Director for Gemini Engi-Fab Ltd.

He completed his Bachelor of Science in the year, 1989, from Mumbai University. His business concern, Vision Point Optical & Contact Lens is an optical venture with several branches in Mumbai. His visionary attitude and exemplary service is to open several more branches.

Mr. Sanjit Gohil

Mr. Sanjit B. Gohil runs his own proprietary concern named Navratna Jewellers since Year 2000, which manufactures artificial jewellery.

He completed his MBA Finance in the year, 1998 from Mumbai University, India. Before starting his own proprietary concern, he worked with many well known companies such as:

- Alex Group of Companies – It is a manufacturer of artificial guaranteed jewellery. Mr. Sanjit Gohil worked as the Chief Executive Officer overseeing the entire operations of the organization
- PriceWaterhouse – Mr. Sanjit Gohil worked with the FIRE project, a USAID sponsored project for developing the capital markets and financial systems in India. He was involved in providing inputs to consultations on varying aspects of the Indian Financial Systems along with the norms and procedures prevalent in the Equities, Debt and Mutual Funds segment
- Triumph International Finance India Ltd. - Mr. Sanjit Gohil worked with the Merchant Banking Division that dealt with the management of public issue rights Issue, term loans. His responsibilities involved coordinating activities pertaining to IPO, marketing of IPO's (In-house as well as External), Collection and disbursement of brokerage, maintaining and expanding sub-broker network
- Everest Group of Companies - Mr. Sanjit Gohil was responsible for maintaining accounts of several group companies. Job profile included day-to-day maintenance of accounts, preparation of loan statements, statement of Interest calculations, updating records of company portfolio and correspondence with company authorities.

Mr. Jairaj Desai

Mr. Jairaj Desai, 57 years of age, runs his own proprietary concern name Hemraj Enterprises. The company supplies laboratory and pilot plant equipment like spray dryers, distillation systems and filters etc.

He passed his B.SC. (Honours) Chemical Engineering from Teeside Polytechnic, Middlesbrough (United Kingdom). He worked with Larsen & Toubro Ltd., Mumbai for 2 years in various departments including Process design of chemical plants and equipments like Dryers etc.

He was also a partner in Swirl-Flow Process Systems, Mumbai, where he independently handled marketing of projects / equipment sales and developing export market, equipment sales from foreign collaborators.

He represents M/s. Labtex Ltd. (United Kingdom) in India for supply of glass, laboratory spray dryer. He also represents Pope Scientific India (USA) for distillation and evaporation plants.

Mr. Vijay Panchal

Mr. Vijay Panchal, 43 years of age, Interior Designer completed his S.S.C. at the age of 16. Post-S.S.C., he pursued studies in the field of Interior Designing and completed it from a reputed college in first class, at the age of 18.

He began his professional career at a very young age. His first job was with Talati & Punthay Associates, a reputed company in the field of Architecture and Interior Designing. He worked with the reputed company for overall duration of 8 years of which, 5 years were as a staff member while remaining 3 years as an Associate.

He started his own business thereafter called, Keystone, where he monitors day-to-day company's activities as well as interacts with clients. He has successfully completed 15 years in the field of Interior Designing

All the above Directors belong to varied fields and have plenty of experience in their respective genres and share good reputation and integrity.

Details of borrowing powers of Directors

The borrowing powers of our Directors are regulated by Articles 86 of the Articles of Association of our Company. For further details, kindly refer section titled "Main Provisions of Articles of Association" beginning on Page No. 258 of this Draft Prospectus.

As per the members' resolution passed in the extra ordinary general meeting of our Company held on October 04, 2010, the Directors of our Company are hereby authorized to borrow from time to time, upto Rs.200 Crore, notwithstanding that the money so borrowed together with money already borrowed exceed the aggregate of paid-up capital and free reserves of the Company.

DETAILS OF COMPENSATION OF WHOLE TIME DIRECTORS

The Compensation payable to the Managing Director/Whole Time Directors/Other Directors will be governed by the provisions of Sections 198, 269, 309 and 310 of the Companies Act, 1956. The following compensation has been approved for Managing Director and Whole Time Director, in the Annual General Meeting dated June 02, 2008 for a period of 3 years w.e.f. 1st July, 2008:

Mr. Dalpatram J. Panchal, Chairman and Whole Time Director:

In accordance with the provisions of section 198, 269, 309, 310, 311, 349, 350 read with schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956,

Mr. Dalpatram J. Panchal has been Re-appointed in board meeting as Chairman and Whole Time Director for a period of 5 years w.e.f. 1st February, 2007, through Board Resolution dated 1st February, 2007.



GEMINI ENGI-FAB LIMITED

Remuneration:-

(a) Gross remuneration: Not exceeding Rs. 2,50,000/- per month, which includes Basic salary, House Rent Allowance, Bonus, medical reimbursements, allowances, perquisites including car with driver, telephone facility, leave travel concession, personal accident insurance, contribution to Provident Fund, Superannuation fund or Annuity fund and Gratuity as per Company Rules.

(b) Commission: 5% on Net Profit of the company for the year as computed in terms of provisions of section 349 & 350 of the Companies Act, 1956

Mr. Rakesh D. Panchal, Managing Director:

He is appointed as Managing Director for a period of 5 years w.e.f. 1st February, 2007

Remuneration:-

(a) Gross Remuneration: - Not exceeding Rs. 2,50,000/- per month, which includes Basic salary, House Rent Allowance, Bonus, medical reimbursements, allowances, perquisites including car with driver, telephone facility, leave travel concession, personal accident insurance, contribution to Provident Fund, Superannuation fund or Annuity fund and Gratuity as per Company Rules.

(b) Commission: 5% on Net Profit of the company for the year as computed in terms of provisions of section 349 & 350 of the Companies Act, 1956

Mr. Ashish D. Panchal, Whole Time Director:

He is re-appointed as Whole Time Director for a period of 5 years w.e.f. 1st February, 2007

Remuneration:-

(a) Gross Remuneration: Not exceeding Rs. 2,50,000/- per month, which includes Basic salary, House Rent Allowance, Bonus, medical reimbursements, allowances, perquisites including car with driver, telephone facility, leave travel concession, personal accident insurance, contribution to Provident Fund, Superannuation fund or Annuity fund and Gratuity as per Company Rules.

(b) Commission: 5% on Net Profit of the company for the year as computed in terms of provisions of Section 349 & 350 of the Companies Act, 1956

Mr. Hitesh D. Panchal, Whole Time Director:

He is re-appointed as Whole Time Director for a period of 5 years w.e.f. 1st February, 2007

Remuneration:-

(a) Gross remuneration: Not exceeding Rs. 2,50,000/- per month, which includes Basic salary, House Rent Allowance, Bonus, medical reimbursements, allowances, perquisites including car with driver, telephone facility, leave travel concession, personal accident insurance, contribution to Provident Fund, Superannuation fund or Annuity fund and Gratuity as per Company Rules.

(b) Commission: 5% on Net Profit of the company for the year as computed in terms of provisions of section 349 & 350 of the Companies Act, 1956.

INTEREST OF DIRECTORS

All the Directors of our Company may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or Committee thereof as well as to the extent of other remuneration and/or reimbursement of expenses payable to them as per the applicable laws, and the Articles of Association.

The Directors may also be regarded as interested in the Equity Shares and dividend payable thereon, if any, held by or that may be subscribed by and allotted/transferred to them or the companies, firms and trust, in which they are interested as Directors, Members, partners and/or trustees. All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold Directorships or any partnership firm in which they are partners as may be declared in their respective declarations.

The Managing Director and Whole time Directors of our Company are interested to the extent of remuneration paid to them for services rendered as officer or employee of our Company. Further, the Directors are also interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to them, out of the present Issue in terms of this Draft Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

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

CHANGES IN BOARD OF DIRECTORS IN LAST 3 YEARS

Sr. No.	Name	Nature of Change	Date of Change	Reasons for Change
1	Ashish Panchal	Appointment as Director	20/01/2006	New Appointment
2	Hitesh Panchal	Appointment as Director	20/01/2006	New Appointment
3	Ramanlal Panchal	Appointment as Director	01/02/2007	New Appointment
4	Nazir Bandukwala	Appointment as Director	01/02/2007	New Appointment
5	Vijay Panchal	Appointment as Director	01/02/2007	New Appointment
6	Nazir Bandukwala	Cessation as Director	30/04/2008	Resignation
7	Vijay Panchal	Cessation as Director	30/04/2008	Resignation
8	Jayant Chandra	Appointment as Director	30/04/2008	New Appointment
9	Sunita Panchal	Cessation as Director	20/02/2008	Resignation
10	Sanjit Gohil	Appointment as Director	20/02/2008	New Appointment
11	Ramanlal Panchal	Cessation as Director	10/04/2010	Resignation
12	Sapan Parikh	Appointment as Director	15/06/2008	New Appointment
13	Sapan Parikh	Cessation as Director	13/09/2010	Resignation
14	Jairaj Desai	Appointment as Director	09/09/2010	New Appointment
15	Vijay Panchal	Appointment as Director	16/09/2010	New Appointment



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Shareholding of our Directors in the Company

As per our Articles, our Directors are not required to hold any Equity Shares in our Company. Save and except as stated below, our Directors do not hold any Equity Shares in our Company as on the date of filing of this Draft Prospectus:

Sr. No.	Shareholder	No. of Equity Shares	Pre-Issue Percentage Shareholding
1.	Mr. Dalpatram J. Panchal	2,978,820	23.45%
2.	Mr. Hitesh D. Panchal	2,630,660	20.71%
3.	Mr. Ashish D. Panchal	2,614,060	20.57%
4.	Mr. Rakesh D. Panchal	2,414,000	19.00%

Except as stated above, none of the other Directors holds any shares in our Company.

COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

Our Company has taken necessary steps to implement the provisions of the Corporate Governance in the spirit of listing of its equity shares on the Stock Exchange. Our Company has complied with the requirements of Corporate Governance contained in the Equity Listing Agreement, particularly those relating to composition of Board of Directors and constitution of Committees. Our Company has already constituted the following committees:

- Audit Committee
- Remuneration Committee
- Shareholders/Investor Grievance Committee
- Share Transfer Committee

Corporate Governance

The provisions of the listing agreement to be entered into with the Stock Exchanges will be applicable to our Company at the time of seeking in-principle approval of the Stock Exchanges. Our Company has complied with the corporate governance code in accordance with Clause 49 of the listing agreement (as applicable), including in relation to appointment of independent Directors to our Board and constitution of the audit committee, remuneration committee, investor's/ shareholders grievance committee and share transfer committee. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Clause 49 of the listing agreement to be entered into with the Stock Exchanges.

Currently, our Board has 8 Directors, of which 4 are independent directors (as defined under Clause 49), which constitutes 50% of the Board of Directors. This is in compliance with the requirements of Clause 49.

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

Audit Committee

The Audit Committee evaluates internal audit policies, plans, procedures, investigate into any matter in relation to the items specified in Section 292A of the Companies Act, 1956 and referred to it by the Board, oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible, recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services, reviewing with management the annual financial statements before submission to the Board. Audit Committee will be authorized to exercise all such powers as are required under the amended Clause 49 of the Listing Agreement. The recommendations of the Audit Committee on any matter relating to financial management including the audit report shall be binding on the Board.

The present Audit Committee comprises of the following members, which was reconstituted on September 16, 2010

Name of Director	Status in Committee	Nature of Directorship
Mr. Sanjit B. Gohil	Chairman	Non Executive & Independent
Mr. Vijay Panchal	Member	Non Executive & Independent
Mr. Jairaj Desai	Member	Non Executive & Independent

Remuneration Committee:

The scope of Remuneration Committee includes fixation of suitable remuneration package of all the executive directors, i.e., salary, perquisites, bonuses, stock options, pensions etc.; determination of the fixed component and performance linked incentives along with performance criteria to the Directors of the Company; approve security contracts, notice period, severance fees of Directors; determining a suitable remuneration policy of the managing director(s)/officers and appointee(s) based on the criteria such as industry benchmarks, the Company's performance vis-à-vis the industry performance, track records of the Directors etc.; taking decision on the increments in the remuneration of the Directors and officers and to formulate appropriate remuneration policy.

The present Remuneration Committee comprises of the following members, which was reconstituted on September 16, 2010:

Name of Director	Status in Committee	Nature of Directorship
Mr. Sanjit B. Gohil	Chairman	Non Executive & Independent
Mr. Vijay Panchal	Member	Non Executive & Independent
Mr. Jairaj Desai	Member	Non Executive & Independent

Shareholders' / Investors' Grievances Committee:

The Shareholders'/Investors' Grievances Committee is responsible for resolving various complaints of shareholders, resolving complaints of shareholders about non-receipt of interest/dividend payments, non-receipt of duplicate share certificate; any other grievances of the members/investors with company or any officer of the company in performing his official duty; any other task assigned by the Board from time to time. This Committee will also oversee the performance of the Registrars, transfer agents and the depository related services. The Committee also oversees the implementation and compliance of the Code of Conduct adopted by Our Company

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for Prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time.

The present Shareholders'/Investors' Grievances Committee comprises of the following members, which was reconstituted on September 16, 2010:

Name of Director	Status in Committee	Nature of Directorship
Mr. Sanjit B. Gohil	Chairman	Non Executive & Independent
Mr. Jairaj Desai	Member	Non Executive & Independent
Mr. Vijay Panchal	Member	Non Executive & Independent

Share Transfer Committee

The Share transfer committee is responsible for giving effect and approving transfer of shares/debentures of the company; giving effect of and resolving dispute of transfer and transmission of shares/debentures/other securities; taking note of dematerialization of shares; review of beneficial holders' position from time to time and to give instructions to the company secretary, registrar to the company, depositories, viz., NSDL, CDSL etc.

The present Share Transfer Committee comprises of the following members, which was reconstituted on September 16, 2010:

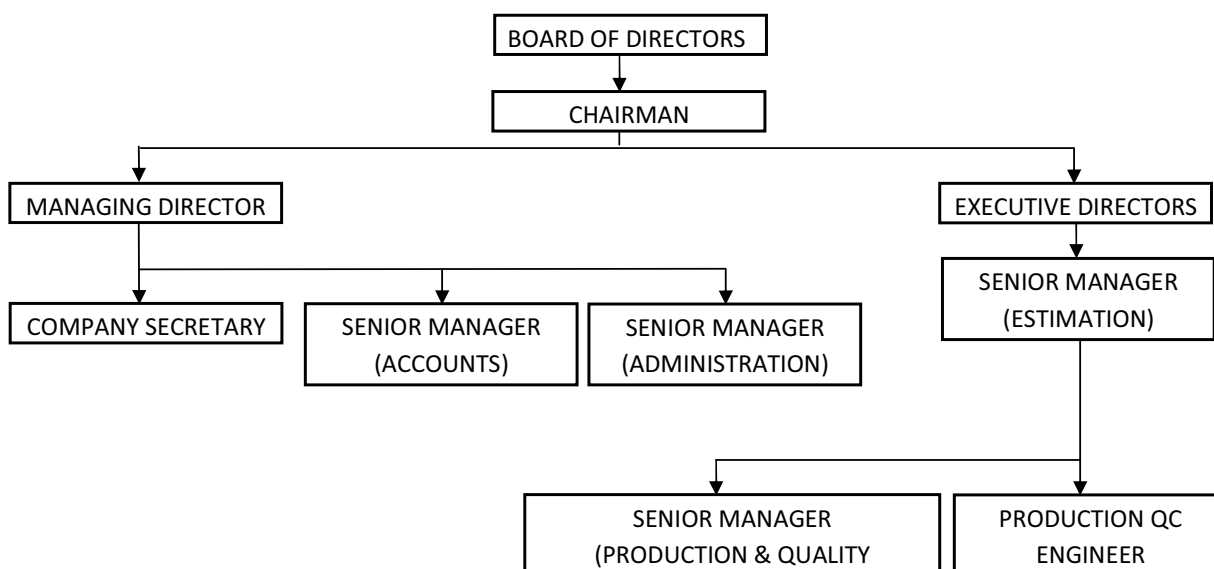
Name of Director	Status in Committee	Nature of Directorship
Mr. Sanjit B. Gohil	Chairman	Non Executive & Independent
Mr. Jairaj Desai	Member	Non Executive & Independent
Mr. Vijay Panchal	Member	Non Executive & Independent

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading:

The provisions of Regulation 12(1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchanges. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 1992 on listing of Equity Shares on Stock Exchanges. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue.

Ms. Pooja Karia, Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

ORGANISATION CHART



KEY MANAGERIAL PERSONNEL

The company is supported by a well-laid team of experts and professionals having good exposure to various operational aspects of the industry. A brief about the key managerial personnel of the Company, consultants and other important external agencies associated with the proposed project of the company is given below:

Name	Age (In years)	Designation	Qualification	Total Experience (In years)	Date of Joining	Previous Employment
Mr. Blaise D'souza	60	Senior Manager (Estimation)	Diploma in Mechanical Engineering	35	9 th January, 2010	Larsen & Toubro
Mr. Sudipta Dam	44	Senior Manager (Production & Quality Control)	Diploma in Mechanical Engineering	21	2 nd May, 2000	Shree Krishna Fabrication Private Limited
Mr. Yagnesh Kateliya	24	Production QC Engineer	B.E. (Production)	3	9 th September, 2009	Prime Machine Tools
Ms. Pooja Karia	30	Company Secretary	B.Com & Company Secretary	5	12 th August, 2010	Ushdev International Limited
Ms. Sharmila Shetty	26	Senior Manager (Accounts)	B.Com	4	10 th January, 2006	Embassy Silicon (I) Private Limited
Ms. Chitrakshi Shetty	23	Senior Manager (Administration)	B.Com	3	12 th November, 2007	Computer Station Inc.



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1. All the persons named as our Key Managerial Personnel are the permanent employees of our Company.
2. There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned personnel have been recruited.
3. None of the above mentioned Key Managerial Personnel are related to each other.

BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

Mr. Blaise D'souza, Senior Manager (Estimation)

Mr. Blaise D'souza, S/o Peter D'souza is 60 years of age. He has over 35 years of work experience, having worked in several departments in Larsen & Toubro, Powai. He cleared his S.S.C. examinations in 1967, while earned his Diploma in Mechanical Engineering from Bhagubhai Mafatlal Polytechnic in 1976.

Mr. Sudipta Dam, Senior Manager (Production & Quality)

Mr. Sudipta Dam, S/o Shri Sudhindra Dam is 44 years of age and has a wide array of experience of over 21 years in the field of Engineering and Fabrication. He has worked with companies like Kaveri Engineers & Consultants, Kaveri Plants & Machinery and Shree Krishna Fabrication Pvt. Ltd. He earned his Diploma in Mechanical & Electrical Engineering from Board of Apprenticeship Training, West Bengal in the year 1988. His current responsibilities include leading and monitoring project design as well as project execution.

Mr. Yagnesh Kateliya, Production QC Engineer

Mr. Yagnesh Kateliya, S/o Hansrajibhai Kateliya is 24 years of age. He has worked with various companies like Elecon Engineering (Gear division), Capio Engineering and Prime Machine Tools. He earned his B.E. (Production) from Saurashtra University in the year 2007.

Ms. Pooja Karia, Company Secretary

Ms. Pooja Karia, D/o Kamlesh Karia is 30 years of age. She has worked with various companies like Shrenuj & Company, Reliance Energy and Ushdev International. She earned her B.Com degree in the year 2001, while her Company Secretary degree in the year 2005.

Ms. Sharmila Shetty, Senior Manager (Accounts)

Ms. Sharmila Shetty, D/o Jayakar Shetty is 26 years of age. She earlier worked with Embassy Silicon (I) Pvt. Ltd. She earned her B.Com degree from Mangalore University in the year 2006. Her current responsibilities involve maintenance of Sales & Purchase register, Petty Cash register, submitting monthly inventory list, coordination with Bankers, Accounting of Debit Notes, Credit Notes, Taxation-related work etc.

Ms. Chitrakshi Shetty, Senior Manager (Administration)

Ms. Chitrakshi Shetty, D/o Shekhar Shetty is 23 years of age. She earlier worked with Computer Station Inc. and Kankei Marketing Services. She earned her B.Com degree from Mumbai University in the year 2007. Her current responsibilities involve coordinating with Company Secretary for preparing minutes of Board meeting and comply with all statutory requirements as required by ROC / other relevant government authorities, drafting all correspondences to Banks / Financial Institutions / Customers etc., Executive Secretary to Managing Director.

Changes in the Key Managerial Personnel in last three years

The changes in the Key Managerial Personnel in our Company during the last one year are as stated below

Sr. No.	Name of the Key Managerial Person	Designation	Date of Appointment/ Resignation	Reason thereof
1.	Mrs. Pooja Raichura	Company Secretary	March, 2008	Appointment
2.	Mr. Mahendra Dave	Chief Financial Officer	April, 2008	Appointment
3.	Mr. Abhishek Thaker	Production QC Engineer	April, 2008	Appointment
4.	Mr. Nazir Bandukwala	Chief Executive Officer	May, 2008	Appointment
5.	Mrs. Pooja Raichura	Company Secretary	October, 2008	Resignation
6.	Mr. Mahendra Dave	Chief Financial Officer	November, 2008	Resignation
7.	Mr. Nazir Bandukwala	Chief Executive Officer	February, 2009	Expired
8.	Mr. Abhishek Thaker	Production QC Engineer	March, 2009	Resignation
9.	Mr. Yagnesh Kateliya	Production QC Engineer	September, 2009	Appointment
10.	Mr. Blaise D'souza	Senior Manager (Estimation)	January, 2010	Appointment
11.	Ms. Pooja Karia	Company Secretary	August, 2010	Appointment

Details of Shareholding of our Key Managerial Personnel in Our Company

None of the key managerial personnel in our Company hold any shares of our Company as on the date of filing of this Draft Prospectus.

Interest of Key Managerial Personnel

The key managerial personnel of Our Company do not have any interest in our Company other than to the extent of 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 and to the extent of the equity shares held by them.

Except as stated otherwise in this Draft Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 years from the date of this Draft Prospectus in which the key managerial personnel 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.



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Bonus or profit sharing plan for the Key Managerial Personnel

Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel.

Employees Share Purchase Scheme / Employees Stock Option Scheme to Employees

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

Other benefits to our key managerial personnel

There is no other benefit payable to our Key Managerial Personnel other than listed above.

4.6 OUR PROMOTERS AND THEIR BACKGROUND

	Mr. Dalpatram Panchal (Executive Chairman) Age: 62 years Qualification: Diploma in Mechanical Engineering Experience: 35 years Occupation: Business PAN: AVOPP4449B Passport No: E4498076 Voter ID: MT/09/044/951204 Bank Account No: 219010100130295 Name of the Bank: The Axis Bank, Malad (West) Promoter/Partner: M/s Gemini Engineers & Fabricators
	Mrs. Sunita Panchal Age: 60 years Experience: N.A. Occupation: Homemaker PAN: AAIPP6673J Passport No: F3681413 Voter ID: MT/09/044/951205 Bank Account No: 219010100232517 Name of the Bank: The Axis Bank, Malad (West) Promoter/Partner: M/s Gemini Engineers & Fabricators
	Mr. Rakesh D. Panchal (Managing Director) Age: 39 years Qualification: SSC pass Experience: 18 years Occupation: Business PAN: AAFPP5353A Passport No: F8298610 Voter ID: MT/09/044/951206 Bank Account No: 101/6370 Name of the Bank: The Bharat Co-operative Bank (Mumbai) Ltd., Marol , Andheri (East) Promoter/Proprietor: M/s Gem Engineering Services
	Mr. Ashish D. Panchal (Whole Time Director) Age: 36 years Qualification: Diploma in Mechanical Engineering Experience: 14 years; Occupation: Business PAN: AAJPP3063D Passport No: F5784340 Voter ID: MT/09/044/951207 Bank Account No: 101/1601 Name of the Bank: The Bharat Co-Operative Bank (Mumbai) Ltd., Marol , Andheri (East) Promoter/Partner: M/s Expert Engineers
	Mr. Hitesh D. Panchal (Whole Time Director) Age: 33 years Qualification: SSC pass, Experience: 17 years Occupation: Business PAN: AIJPP7144B Passport No: F5564885 Voter ID: Not Available Bank Account No: 101/3081 Name of the Bank: The Bharat Co-Operative Bank (Mumbai) Ltd., Marol , Andheri (East) Promoter/Partner: M/s Expert Engineers



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We confirm that the Permanent Account Number, Bank Account Number and Passport Number of all the above Promoters have been submitted to Bombay Stock Exchange Limited and The National Stock Exchange of India Limited at the time of filing of this Draft Prospectus with them.

Interest of our Promoters

Two of our Promoters viz. Mr. Ashish D. Panchal and Mr. Hitesh D. Panchal, who are partners in M/s Expert Engineers may be deemed to be interested in the monthly rental of Rs. 0.30 lakhs on account of using and operating the manufacturing facilities in pursuance of leave and license agreement entered into with M/s Expert Engineers. Further, except as stated in "Related Party Transactions" beginning on Page No. 174 of Draft Prospectus, to the extent of shareholding in our Company either by themselves or shareholding of companies in which they are interested, the Promoters or any of the Promoter Group Entities do not have any other interest in the business. Further, our Promoters are also Directors of our Company; they are interested to the extent of their remuneration from our Company as disclosed under the Section titled 'Our Management' appearing on Page No. 131 of this Draft Prospectus. Our Promoters do not have any interest in any property acquired by our Company in a period of two years before filing the Draft Prospectus with SEBI or proposed to be acquired by us as on date of filing of the Draft Prospectus with SEBI.

Payment of benefits to Our Promoters

Except as stated in the section "Related Party Transactions" on Page No. 174 of this Draft Prospectus, there has been no payment of benefits to our Promoters during the two years prior to the filing of this Draft Prospectus. We confirm that the Permanent Account Number, bank account number and passport number of all the above Promoters have been submitted to Bombay Stock Exchange Limited and National Stock Exchange of India Limited at the time of filing the Draft Prospectus with them.

4.7 OUR PROMOTER GROUP ENTITIES

(i) **M/s. Gemini Engineers & Fabricators (Partnership Firm)**

Nature of Activity	Manufacturing, buying, selling, importing, exporting, repairs and fabricating, all kind of engineering goods, sheet metal parts, machinery spares and parts, automobile parts and all other items normally dealt in similar types of business and allied products.		
Date of Formation	January 14, 1982		
Address	2/4, Sanjay Mittal Industrial Estate, Andheri Kurla Road, Bombay-400 059		
Name of the Partners/Profit/ Loss Sharing Ratio	Name of the Partners	Profit/Loss sharing Ratio	
	Dalpatram J. Panchal	50%	
	Sunita D. Panchal	50%	
Unaudited Financial Information	2008-09	2007-2008	2006-07
Partner's Capital:	(5.05)	(9.61)	(4.19)
Income	-	-	0.49
Other Income	13.92	3.13	-
Profit/(Loss)	10.82	(0.21)	(0.07)

Note. The accounts for financial year ended 2009-10 have not been prepared.

(ii) **M/s. Expert Engineers (Partnership Firm)**

Nature of Activity	Manufacturing, trading and import-export in all kinds of machineries, parts, accessories and equipments, engineering and electrical goods, sheet metal fabrications, tools and hardwares etc.		
Date of Formation	January 27, 1996		
Address	2/5, Mittal Industrial Estate, Andheri Kurla Road, Marol Bombay-400 059		
Name of the Partners/ Profit/ Loss Sharing Ratio	Name of the Partners	Profit/Loss sharing Ratio	
	Ashish D. Panchal	50%	
	Hitesh D. Panchal	50%	
Unaudited Financial Information	2008-09	2007-2008	2006-07
Partner's Capital	(7.02)	(5.77)	3.02
Income	-	-	-
Other Income	3.60	3.90	20.75**
Profit/(Loss)	1.20	0.98	18.53

Note. The accounts for financial year ended 2009-10 have not been prepared.

** Includes profit from sale of fixed assets of Rs. 17.15 lakhs.

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On October 1, 2004 we entered into leave and license agreement with M/s Expert Engineers, a registered partnership firm of the Promoters for using and occupying the factory premises including the machineries and other fittings and fixtures therein located at Plot No. 1504, GIDC, Umbergaon, District Valsad, Gujarat. The said agreement is valid till August 31, 2009. We have now entered into an agreement dated June 21, 2008 whereby we have agreed with M/s Expert Engineers to take the premises on leave and license basis for a further period of 59 months i.e. till May 20, 2013. Further, by way of this agreement the parties have agreed to approach GIDC to seek permission for transfer of lease hold rights or execution of sub-lease with respect to premises at Plot No. 1504, GIDC, Umbergaon, District Valsad, Gujarat in favour of our Company.

(iii) Gem Engineering Services (Proprietorship Concern)

Nature of Activity	Engineering goods, electrical goods, machinery and their spare parts. At present no business activity is being carried out.		
Address	Opp. G.R. Engineering, Chimat Pada, Marol Naka, Andheri-Kurla Road, Andheri (East), Mumbai – 400 059.		
Name of the Sole Proprietor	Mr. Rakesh D. Panchal		
Unaudited Financial Information	2008-09*	2007-2008*	2006-07*
Proprietor's Capital	20.89	(10.89)	(10.62)
Income	Nil	Nil	Nil
Profit/(Loss)	Nil	Nil	Nil

Note. The accounts for financial year ended 2009-10 have not been prepared.

Companies Forming Part of Our Promoter Group

There is no company forming part of the Promoter Group.

Details of Companies / Firms from which Promoters have disassociated

During last three years, our Promoters have not disassociated themselves from any company/partnership firm.

Details of Promoter group companies whose names have been struck off from Registrar of Companies

We do not have any Promoter group company whose name has been struck off by any RoC in India.

Undertaking/Confirmations

Our Promoters and Promoter Group Entities / firms have confirmed that they have not been detained as willful defaulters by the RBI or any other Government authority. Additionally, there are no violations of securities laws committed by them in the past or are pending against them and none of our promoters or persons in control of body corporate forming part of our Promoter Group have been restricted from accessing the capital markets for any reasons, by SEBI or any other authorities.

Further none of our Promoter or Promoter Group Entities have become sick companies within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and none of them is under winding up. There are no BIFR proceedings against any company promoted by our Promoters. None of our Promoter Group Entities are listed on

any Stock Exchange. They do not have any subsidiary (ies). Further, they have not completed any public or right issue in preceding three years.

Common Pursuits/Conflict of Interest

Our Promoter Group Entities viz. Gemini Engineers & Fabricators, Gem Engineering Services and Expert Engineers have principle business similar to our line of business. However, at present they are not engaged in any business activities. Hence to this extent there exists a potential conflict between us in future.

There are no transactions relating to sales or purchases between our Company and any of our Promoter Group Entities exceeding 10% of the sales or purchases of our Company.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, please refer to Annexure XIV on Related Party Transactions of the Auditor's Report under Section titled "Financial Information of the Company" beginning on Page No. 174 of this Draft Prospectus.

4.8 DIVIDEND POLICY

The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by the Board may also from time to time pay interim dividend. All dividend payments are made in cash to the shareholders of our Company. The detail of dividends paid by our Company during the last five fiscal years is as follows:

Year ended 31st March	Sep 30,2010	2010	2009	2008	2007
Dividend (Interim and final) (Rs. in lakhs)	NIL	NIL	NIL	NIL	10.00
Dividend %	NIL	NIL	NIL	NIL	10%

SECTION V-FINANCIAL INFORMATION OF THE COMPANY

5.1. FINANCIAL STATEMENTS OF THE COMPANY

To,
The Board of Directors
Gemini Engi-Fab Limited
501, Palm Spring
Link Road, Malad (W)
MUMBAI - 400064

Dear Sirs,

We Dass Maulik Mahendra K Agrawala & Co., Chartered Accountants have examined the Summary Statement of Assets and Liabilities, as restated of Gemini Engi-Fab Limited (the Company) as of September 30, 2010, March 31, 2010, March 31, 2009, March 31, 2008, March 31, 2007 and March 31, 2006 and the related Summary Statement of Profit and Loss, as restated and Statement of Cash Flows, as restated for the half year ended September 30, 2010 and for the financial years ended March 31, 2010, March 31, 2009, March 31, 2008, March 31, 2007 and March 31, 2006. These Summary Statements have been prepared by the Company and approved by the Board of Directors for the proposed Public Offer (referred to as the — “Offer”), in accordance with:

- a) Paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 ('the Act');
- b) The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 ('the Guidelines') and the related clarifications issued by the Securities and Exchange Board of India ('SEBI') on January 19, 2000 as amended, in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992;
- c) The terms of reference dated GEF/450/10-11 dated September 6, 2010 received from the Company, requesting us to carry out the assignment, in connection with the offer document being issued by the Company for its proposed Public Offer (IPO); and
- d) The revised Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India.

The Company proposes to make an IPO of 90,00,000 equity shares, having a face value of Rs. 10 each, at an issue price of Rs. 65 per share

Restated financial information as per the audited financial statements:

The restated summary statements of the company has been extracted by the management from the financial statements of the company for the year ended March 31, 2010, March 31, 2009, March 31, 2008, March 31, 2007 & March 31, 2006 and for the half year ended September 30, 2010 which have been approved by the Board of Directors. Audit of the financial statements for the half year ended September 30, 2010 was conducted by us, the audit for the financial year ended on March 31, 2010 was done by us jointly with another firm of Chartered Accountants M/s. Nilesh J Panchal & Co, and the audit for the financial year ended on March 31, 2009, March 31, 2008, March 31, 2007 and March 31, 2006 has been done by M/s. Nilesh J Panchal & Co. We have relied on these audited financial statements and have not carried out any audit tests or review procedures on such financial

statements of the Company for the years ended on these respective dates. Since we did not perform the audit for the above years the financial information included for such years is solely based on the audit report submitted by them for the relevant years.

In accordance with the requirements of Paragraph B (1) of Part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you, we confirm that:

a) The restated summary statement of profit and loss, the annexed restated summary statement of assets and liabilities, and restated cash flow statement ('Summary Statements') of the Company, including as at and for the half year ended September 30, 2010 and for the year ended March 31, 2010, 2009, 2008, 2007 and 2006, examined by us, as set out in Annexure I, II and XVI to this report read with and subject to the Notes on Accounts and other observations as given herein after, are after making material adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexure IIA and IV).

b) We report that:

- *As stated at Note No. 4(i) (a) to the Restated Financial Statements, the Auditor's have qualified for the half year ended September, 2010 and for the year ended March 31, 2010 regarding non-maintenance of detailed stock record so as to vouch the accuracy of the quantity and value of the stock the consequential impact whereof on the accounts is not ascertainable;*
- *As stated at Note NO. 4 (i) (b) to the Restated Financial Statements, the Auditor's have qualified their report for the half year ended September 30, 2010 and for the year ended March 31, 2010 regarding balances of Current Assets and Current liabilities being subject to confirmation and reconciliation arising therefrom, the impact whereof on the accounts is not ascertainable*
- *As stated at Note No. 4(i) (c) to the Restated Financial Statements, the auditors have qualified their report for the half year ended September 30, 2010 and for the year ended March 31, 2010 stating that Creditors falling under Micro, Small and Medium Enterprises Development Act, 2006 have not been ascertained and consequently the resulting impact on the accounts of non-provision of Interest on amounts due to such creditors have not been ascertained, the resulting impact thereof on the accounts is not ascertainable*
- *As stated at Note No 4 (i) (d) to the Restated Financial Statements, the auditors have qualified their report for the half year ended September 30, 2010 and for the year ended March 31, 2010 stating that the statutory returns of sales tax / VAT are pending to be filed and reconciled. The impact of such reconciliation, on accounts, if any, is not ascertainable.*
- *As stated at Notes No. 4(i) (e) to the Restated Financial Statements, the company has accounted for the following on cash basis : Income from sale of scrap, Bonus, Gratuity expenses and interest on Income tax the impact of which on restated accounts is not ascertainable.*
- *As further elaborated at Point No. 4 (ii), to the Restated Financial Statements, the auditors have stated the following matters where there has not been a restatement:*



GEMINI ENGI-FAB LIMITED

- *that the company does not have an Internal audit system,*
 - *the company has defaulted in complying with the provisions of Sec 58 A and Sec 58 AA of the Companies Act and the rules framed there under*
 - *the company has defaulted in complying with the provisions of Sec 295 of the Companies Act*
- c) Based on and subject to our comments as above we are of the opinion that the restated financial information have been made after incorporating:
- i. Adjustments made for the changes in accounting policies and estimates adopted by the Company retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy and estimates for all the reporting periods;
 - ii. Material prior period items have been restated to the respective years to which such prior period items related;
 - iii. There are no extraordinary items which need to be disclosed separately in the Statement of Restated Consolidated Financial Information;
 - iv. All material qualifications in the auditors' reports, other than those specifically excluded as mentioned at Note No. 4 to the restated statements which require adjustments to the summary statements, have been so adjusted.

We have not audited any financial statements of the Company as of any date or for any period subsequent to September 30, 2010. Accordingly, we express no opinion on the financial position, results of operation or cash flows of the company as of any date or for any period subsequent to September 30, 2010

Other Financial Information:

- d) At the Company's request, we have also examined the following financial information proposed to be included in the offer document prepared by the management and approved by the Board of Directors of the Company and annexed to this report.
- i. Statement of dividend paid/proposed, enclosed as Annexure XIII
 - ii. Statement of accounting ratios based on the restated profits relating to earnings per share, net asset value and net worth enclosed as Annexure XII
 - iii. Capitalization statement as at September 30, 2009, enclosed as Annexure IX
 - iv. Details of secured loans and assets charged as securities, enclosed as Annexure VIII
 - v. Details of unsecured loans, enclosed as Annexure VI
 - vi. Details of items of other income, enclosed as Annexure III
 - vii. Details of sundry debtors, enclosed as Annexure VII
 - viii. Statement of tax shelters, enclosed as Annexure X
- e) In our opinion, the restated financial information as disclosed in the annexure to this report, read with the respective significant accounting policies and notes and subject to the observations made and after making adjustments and re-groupings as considered appropriate and disclosed in Annexure IIB, has been prepared in accordance with Part II of Schedule II of the Companies Act.



GEMINI ENGI-PAD LIMITED

- f) This report should not be in any way construed as a reissuance or redrafting of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
- g) This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed public offer of the Company, and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Dass Maulik Mahendra K Agrawala & Co

Chartered Accountants

Firm Regn. No. 302014E

CA Narendra Khandal

Partner

M. No. 065025

Place : Mumbai

Date: October 28, 2010

Statement of Audited Profits & Losses as Restated

(Rupees In lakhs)

Year / Period Ended	30.09.2010	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Income						
Sales of the products manufactured by Company	686.83	1,831.59	1,725.24	1,785.45	1,093.89	656.77
Sale of the products traded by Company	824.89	808.96	533.86	547.17	343.14	-
Less : Excise Duty Paid	65.39	159.84	175.58	225.53	156.17	97.62
Commission	157.85	-	-	-	-	-
Net Sales	1,604.18	2,480.71	2,083.52	2,107.09	1280.86	559.15
Other Income	29.66	104.48	53.51	24.31	5.47	8.53
Increase/ (Decrease) in Inventories	(49.37)	(416.18)	126.75	194.74	120.01	26.55
Total Income	1,584.47	2,169.01	2,263.78	2326.14	1,406.34	594.23
Expenditure						
Cost of Material	1,085.62	1,326.12	1,758.43	1,392.27	989.35	403.94
Manufacturing Expenses	34.53	60.56	128.08	100.30	79.83	38.49
Administrative Expenses	121.66	164.87	171.33	153.84	101.94	66.36
IPO Expenses*		-	91.13			
Interest and Financial Charges	54.64	117.03	127.34	48.47	37.36	7.77
Depreciation/ Amortization	15.26	23.59	28.04	31.25	19.39	12.38
Total Expenditure	1,311.71	1,692.17	2,304.35	1726.13	1227.87	528.94
Profit / Loss before tax and extra ordinary items	272.76	476.84	(40.57)	600.01	178.47	65.29
Provision for Taxation						
Current Tax	92.71	170.62	15.64	214.00	50.17	26.27
Fringe Benefit Tax	-	-	1.27	1.30	1.49	1.11
Less/ (Add) Deferred Tax	(2.36)	4.97	(3.53)	0.16	4.06	(0.38)
Profit / (Loss) after Tax before Extra ordinary items	182.41	301.25	(53.95)	384.55	122.75	38.29
Extraordinary Items			-	-	-	-
Net Profit / (Loss) after tax & extraordinary Items	182.41	301.25	(53.95)	384.55	122.75	38.29
Earlier Year / Prior Period Adjustments	-	-	-	-	-	-
Net Profit / (Loss) as restated	182.41	301.25	(53.95)	384.55	122.75	38.29

Annexure -II
Statement of Audited Assets & Liabilities as Restated
(Rupees In lakhs)

Year / Period Ended	30.09.2010	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Fixed Assets (A)						
Gross Block (incl. Capital Work in Progress)	766.06	762.31	720.34	714.24	354.01	244.59
Less: Accumulated Depreciation	153.85	138.59	122.11	94.07	68.28	48.90
Net Block	612.21	623.72	598.23	620.17	285.73	195.69
Investments (B)	1.00	1.00	1.00	1.00	1.00	1.00
Current Assets, Loans and Advances (C)						
Inventories	1,576.55	1,550.65	1,621.95	948.24	421.92	237.12
Sundry Debtors	2,432.93	2,112.80	749.63	1,002.60	443.16	146.01
Cash & Bank Balance	170.26	148.90	86.32	90.58	135.20	40.79
Loans & Advances	291.76	241.39	307.44	180.47	165.14	79.58
Total (C)	4,471.50	4,053.74	2,765.34	2,221.89	1,165.42	403.50
Total Assets (A)+(B)+(C)	5,084.71	4,678.46	3,364.57	2,843.06	1,452.15	700.19
Liabilities and Provisions (D)						
Secured Loans	1,081.75	985.03	1,161.60	614.65	410.10	331.46
Unsecured Loans	234.00	425.00	-	-	12.62	19.47
Deferred Tax Liabilities / (Assets)	2.41	4.78	(0.18)	3.34	3.18	(0.88)
Current Liabilities & Provisions	1,967.49	1,640.35	881.10	1,005.72	678.00	282.27
Total (D)	3,285.65	3,055.16	2,042.52	1,623.71	1,103.90	632.32
Net Worth (A+B+C-D)	1,799.06	1,623.30	1,322.05	1,219.35	348.25	67.87
Represented by						
1. Share Capital	635.26	635.26	635.26	621.76	136.40	10.00
2. Reserves & Surplus	1,170.45	988.04	686.79	617.52	211.87	57.91
Total	1,805.71	1,623.30	1,322.05	1239.28	348.27	67.91
Less: Miscellaneous Expenditure	6.65	-	-	19.93	0.02	0.04
Net Worth	1,799.06	1,623.30	1,322.05	1,219.35	348.25	67.87

SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Financial Statements have been prepared and presented under the historical cost convention on accrual basis of accounting principles generally accepted in India (GAAP) and comply in material respect with the mandatory Accounting Standards ("AS") issued by the Institute of Chartered Accountants of India and notified under the Companies Accounting Standard Rules, to the extent applicable and with the relevant provisions of the Companies Act, 1956 except accounting for Bonus, Retirement Benefits, Interest on Income tax and Income from sale of scrap which are accounted for on Cash Basis.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumption that affect the reported amounts of Assets and Liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amounts of the revenue and expenses for the year. Actual result could differ from these estimates is recognized prospectively in the current and future periods.

Fixed Assets

Fixed Assets are capitalized at acquisition cost and any cost directly attributable to bringing the assets to their working condition for the intended use.

Depreciation on fixed assets is provided on written down value basis at the rates prescribed by the Schedule XIV of the Companies Act, 1956.

Inventories

Raw Materials and Accessories are valued at cost. Consumables are charged off to revenue in the year of Purchase.

Semi-Finished goods & finished goods are valued at Average Cost of Production.

Scrap is accounted on cash basis.

Revenue Recognition

Revenue from sales is recognized at the time of dispatch of goods and are including of Packing & Forwarding and other charges recovered thereon;

Dividend is recognized on receipt basis. Interest on Fixed Deposits is recognized on accrual basis.

Income from sale of Scrap is accounted on cash basis.

Foreign currency transactions

Transactions in foreign currencies are accounted at the prevailing exchange rates. Year end balances of payables are translated at applicable year end rates and resultant translation differences are recognized in the Profit and Loss account. There were no foreign currency assets or liabilities outstanding at the end of the year.

The premium or discount arising at the inception of forward exchange contract is amortized as expense or income over the life of the contract. Exchange differences on such a contract are recognized in the statement of profit and loss in the reporting period in which the exchange rates change.

Bonus & Retirement Benefits

Retirement Benefits are accounted for on Cash Basis.

Excise Duty

The excise duty payable on the stock of Finished Goods is not provided for. However, it has no effect on the profit for the year.

Investments:

Long term Investments are stated at cost. Provision for diminution, if any, is made to recognize a decline, other than temporary, in the value of such investment.

Borrowing cost:

Borrowing cost that are attributable to qualifying assets till the assets are ready for commencement of commercial production are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready of intended use. Other borrowing cost are charged to revenue.

Miscellaneous Expenditure:

Preliminary expenses are being amortized in ten equal installments.

Taxes on Income:

Current tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with the provisions of Income Tax Act, 1961.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Impairment of Fixed Assets:

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indication that an impairment loss may have occurred in accordance with Accounting Standard 28 on Impairment of Assets" issued by the Institute of Chartered Accountants of India. An impairment loss is charged to profit and loss account in the year in which an asset is identified as impaired when the carrying value of the assets exceeds its recoverable value. The impairment loss recognized prior accounting period is reversed, if there has been changed in the estimate of the recoverable amount.



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Earnings per Share

Basic EPS is computed using the weighted number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and diluted share equivalent share outstanding during the year except where the result would be anti – dilutive.

Provision, Contingent Liabilities and Contingent Assets:

Provision involving substantial degree of estimation in measurement is recognized while there is present obligation as result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the Financial Statements.

Change in Accounting Policies:

There has been no change in accounting policies in the last five years except for change in accounting of Excise / CENVAT during the year 2007-08. Till financial year 2006-07, company has followed accounting of Purchases inclusive of Excise method. However, from financial year 2007-08, Company has followed treatment of CENVAT credit as per the guidance Note of Treatment of CENVAT Credit, issued by The Institute of Chartered Accountants of India.

NOTES TO RESTATED ACCOUNTS

1. Provision for Gratuity

No provision for the gratuity has been made in the books of account but same has been provided in the restated financial statements for the year ended March 31, 2006, 2007 and 2008. The impact of the changes is reflected in the attached Statement of adjustment in Profit and Loss Account. In respect of the financial year ended March 31, 2009 and March 31, 2010 and for the half year ended September 30, 2010 the same has been accounted for on cash basis.

2. Provision for Pervious Years Expenses

Previous year's expenses have been adjusted in the relevant year to which they relate to for the purpose of the restated accounts. The impacts of the changes are reflected in the attached Statement of adjustment in Profit and Loss Account.

3. Material Regroupings

- a) Fixed deposit with banks which were shown under investments in the audited accounts upto financial year 2005 have been regrouped in the restated financial statements under Cash and Bank Balances in line with the format as prescribed under Schedule VI to the Companies Act 1956:
- b) Advance tax and Tax Deducted at Source were reduced from "Provisions" shown under Current Liabilities in the audited accounts have been regrouped in the restated financial statement under the head "Loans and Advance".
- c) Appropriate material adjustments have been made in the Restated summary statement, wherever required, by a reclassification of the corresponding items of assets, liabilities, Income, Expenditure and cash flows vis-à-vis the classification / groupings as per the audited financials of the Company for the respective year(s) / period.
- d) Change in Accounting Policies :

Till the financial year 2006-07, the Company had followed accounting of Purchases inclusive of method of Excise. However, for the purpose of Restated Profit and Loss Account, Company has followed treatment of CENVAT credit as per the guidance Note of Treatment of CENVAT Credit, issued by The Institute of Chartered Accountants of India for all the restated financial periods.

The impacts of the changes are reflected in the attached Statement of adjustment in Profit and Loss Account.



STATEMENT OF ADJUSTMENTS IN PROFIT AND LOSS ACCOUNT

(Rupees In lakhs)

Year / Period Ended	30.09.2010	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Profit as per Profit & Loss Accounts (After Tax)	182.41	301.25	37.18	401.16	101.59	42.94
Add/(Less) Earlier Year / Prior Period Adjustments <i>(Note 1)</i>	-	-	(91.13)	-	-	-
Gratuity not accounted in the Books <i>(Note 2)</i>	-	-	-	(1.11)	(0.07)	(0.07)
Earlier Year expenses (Provident Fund)	-	-	-	0.24	(0.11)	(0.13)
Excess Provision Written Back	-	-	-	-	-	-
Deferred Tax Earlier Years	-	-	-	-	-	-
Stock Adjustment on account of CENVAT Credit <i>(Note 3)</i>	-	-	-	(15.74)	21.34	(4.44)
Net Profit/(Loss) as per Restated Profit & Loss A/c	182.41	301.25	(53.95)	384.55	122.75	38.29

Notes:

- Pertains to the expenses incurred by the company in connection with an IPO that was shelved in the financial year 2008-09, the said expenses have not been charged off in the respective year as per the Audited accounts are being accordingly restated.
- The company accounts for Gratuity on cash basis but the valuation of the gratuity liability for these years were being made and accordingly restated. In respect of expenses for Gratuity for the financial year 2008-09, 2009-10 and for the quarter June 30, 2010 the valuation has not been done due to which the same has been accounted for on cash basis.
- Represents the restatement on account of change in the method of accounting for excise.

4. Non Adjustments

(i) Qualifications Requiring Corrective Adjustments

The following remarks/observations/Notes/qualifications made by the auditors require restatement that has **not been** effected in the Restated summary financial statements as the financial impact is not presently ascertainable:

- The auditors have qualified their report for the half year ended September 30, 2010 and for the year ended March 31, 2010 regarding non-maintenance of detailed stock record so as to vouch the accuracy of the quantity and value of the stock the consequential impact whereof on the accounts is not ascertainable. The value of the stock is as certified by the management;

- b) The auditors have qualified their report for the half ended September 30, 2010 and for the year ended March 31, 2010 regarding balances of Current Assets & Current Liabilities being subject to confirmation and reconciliation arising therefrom, the impact whereof, if any, on the accounts is not ascertainable
- c) The auditors have qualified their report for the half year ended September 30, 2010 and for the year ended March 31, 2010 stating that Creditors falling under Micro, Small and Medium Enterprises Development Act, 2006 have not been ascertained and consequently the resulting impact on the accounts, non-provision of Interest on amounts due to such creditors have not been ascertained, the resulting impact thereof on the accounts is not ascertainable
- d) The auditors have qualified their report for the half year ended September 30, 2010 and for the year ended March 31, 2010 stating that the statutory returns of sales tax / VAT are pending to be filed and reconciled. The impact of such reconciliation, on accounts, if any, is not ascertainable.
- e) The company has accounted for the following on cash basis : Income from sale of scrap, Bonus, Gratuity and Interest on income tax, the impact of which on restated accounts is not ascertainable. Restatement in respect of gratuity has been done for the Financial year ended on march 31, 2008, March 31, 2007 and March 31, 2006

(ii) Other Audit qualifications which do not require corrective adjustments in restated statements

Apart from the qualifications / notes referred to above which require the restatement of the summary statements, the following are the other audit qualifications that do not require and restatement, in our opinion:

- a) The auditors have qualified their report for the half year ended September 30, 2010 and for the year ended March 31, 2010 stating that loans were given to directors in contravention to the provisions of Section 295 of the Companies Act 1956. As on September 30, 2010 the aggregate amount of such loan is Rs. 29.89 lakhs.
- b) The auditors have qualified that the company is not following AS – 15 and AS- 26 issued by the ICAI and that proper books of accounts in respect of its inventories need to be maintained.

Comments under the Companies Auditor's Report Order:

- c) The auditors have qualified that "The Company does not have an Internal Audit system".
- d) As on September 30, 2010 there are undisputed statutory dues aggregating to Rs. 163.65 lakhs on account of Income tax.
- e) There are disputed statutory dues aggregating to Rs. 91.93 lakhs which are pending at various appellate forums.

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- f) The company had accepted public deposits to which the provisions of Sec 58A and 58AA of the companies act apply without complying with the requirements of the relevant section and the rules framed there under. The details for the same are as under:

Name of the party	Amount (In Rs.) Outstanding as on	
	June 30, 2010	March 31, 2010
Anushka Diamonds	50,00,000	50,00,000
Kalash Diam	50,00,000	50,00,000

- g) The company has been generally regular in paying the interest and principal amount in respect of the loans taken from the banks / FI. However, the interest and principal in respect of the term loan and the interest of cash credit for the month of August 31, 2010 and September 2010 are yet to be serviced

OTHER NOTES

5. Details of Contingent liabilities – Refer **Annexure – V**
6. The details of the amount due to suppliers under the Micro Small and Medium Enterprises Development Act 2006 (MSMED Act) are not available and hence the relevant details as required under the MSMED Act are not available with the company.
7. In the opinion of the Management, Current Assets, Loans & Advances are approximately of the value stated, if realized, in the ordinary course of business. The provision for all known and determined liability is adequate and not in the excess of the amount reasonably required.
8. The Company has reviewed its fixed assets for impairment loss as at September 30, 2010, March 31, 2010 and March, 31 2009 as required by Accounting Standard 28 "Impairment of Assets". In the opinion of there are no indication of any impairment
9. The company is in the process of filing / revising its statutory returns such as VAT returns, TDS returns, for the quarter ended September 30, 2010 and the year ended March 31, 2010. Pending the finalization of these returns, the necessary impact on the accounts, if any, will be given in the subsequent year.
10. Related Party Disclosures as required in terms of 'Accounting Standard -18 are given in **Annexure - XIV**
11. Earnings Per Share (EPS) as required in terms of 'Accounting Standard -20 and other Ratios are given in **Annexure – XII**
12. The company has removed goods from its factory against which the excise duty amounting to Rs. 22.41 lakhs is payable as on September 30, 2010.
13. The break - up of the timing differences giving rise to Deferred tax asset (liability) is as under:

Particulars	30.09.2010	31.03.2010	31.03.2009	31.03.2008	31.03.2007
Timing difference on account of Depreciation	(241,124)	(477,664)	18,847	(334,245)	(318,476)
Deferred Tax Asset/(Liability) as per Balance Sheet	(241,124)	(477,664)	18,847	(334,245)	(318,476)
Effect given in the Profit & Loss Account Debit/ (Credit)	(236,540)	496,511	(353,092)	15,769	405,793

14. Licensed and Installed Capacities And Production:

Class of products	Licensed Capacity	Installed Capacity
Engineering Goods	Not Applicable	Not Applicable

Note:

The company operates in the field of manufacturing and fabrication of engineering items as per specific requirement of the customers. The company has been using premises along with machineries and other manufacturing facilities owned by a firm in which Directors or their relatives are interested as Partners or otherwise. In view of the same it is not possible to work out the information as required.

15. The details of the Sales, closing Stock and Opening stock, Raw Materials consumed etc. as per the requirements of the Companies Act are given as per the Notes to the Accounts in the respective year.

16. Payment to Directors

(Rs. In lakhs)

Particulars	30.09.2010	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Remuneration	27.36	28.08	28.08	28.38	13.68	6.55
<u>Outstanding Loan to Directors</u>						
Rakesh D Panchal	15.00	15.00	Nil	Nil	Nil	Nil
Hitesh D Panchal	12.08	12.08	Nil	Nil	Nil	Nil

17. The company operates in only one segment. Hence, there are no other reportable segment as per AS - 17 issued by the Institute of Chartered Accountants of India.

Statement of Break –up of Other Income

(Rupees In lakhs)

Year / Period Ended	30.09.2010	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Profit Before Tax & Extra	272.75	476.83	(40.57)	600.01	178.47	65.29
20% of Net Profit Before Tax	54.55	60.25	(8.11)	120.00	35.69	13.06
Other Income for the Year/Period	29.66	104.48	53.51	24.31	5.47	8.53
A) Recurring from Business Activities						
Insurance Claim	-	-	-	-	-	6.75
Refund from I.T./Sales Tax Authority/Excise Rebate	-	-	-	-	-	-
Profit on Assets	-	-	-	0.33	-	-
Rent Received	22.44	46.62	44.88	11.70	-	-
Sales Tax refund		14.61				
Exchange Gain/(Loss)		28.63	1.46	0.12	-	-
Discounts	0.68	0.49	0.72	6.71	0.08	-
Others	1.44	1.55	0.03	-	-	0.10
ISO Reimbursement		-	-	-	-	0.63
Total (A)	24.56	91.90	47.09	18.86	0.08	7.48
B) Recurring from Investment Activities						
Dividend	0.15	0.15	0.15	0.15	0.15	0.15
Interest on Fixed Deposits with Banks	4.95	12.43	6.27	5.30	5.24	0.90
Total (B)	5.10	12.58	6.42	5.45	5.39	1.05
Total (A+B)	29.66	104.48	53.51	24.31	5.47	8.53

Annexure IV
Statement of Changes in Accounting Policies
Change in Accounting Policies:

There has been no change in accounting policies in the last five years except for change in accounting of Excise / CENVAT during the current year. Till financial year 2006-07, Company has followed accounting of Purchases inclusive of method of Excise. However, from Financial year 2007-08, Company has followed treatment of CENVAT credit as per the guidance Note of Treatment of CENVAT Credit, issued by The Institute of Chartered Accountants of India.

The impact of the changes is reflected in the attached Statement of adjustment in Profit and Loss Account.

Annexure V
Details of Contingent Liabilities

(Rupees In lakhs)

Year / Period Ended	30.09.2010	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Bank Guarantee given by the Company's Banker	364.77	333.30	203.95	176.42	337.06	14.60
Claims against company not acknowledge as debts	94.08	94.08	1.84	1.84	1.84	-
Letter of Credit given by the Company's Banker	-	-	-	73.47	-	-
TOTAL	458.85	427.38	205.79	251.73	338.90	14.60

Annexure VI
Details of Unsecured Loan

The following is the breakup of outstanding unsecured loans in the last five years

(Rupees In lakhs)

Year / Period Ended	30.09.2010	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Sunita D. Panchal – Promoter	-	-	-	-	-	-
Rakesh D. Panchal – Promoter	-	-	-	-	-	-
Expert Engineering (Group Firm)	-	-	-	-	12.62	19.47
From Others	234.00	425.00	-	-	-	-
TOTAL	234.00	425.00	-	-	12.62	19.47

Annexure VII

Statement Showing Analysis of Sundry Debtors

The following is the breakup of outstanding sundry debtors in the last five years

(Rupees In lakhs)

Year / Period Ended	30.09.2010	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Debts outstanding exceeding six months						
- Considered Good	761.73	36.87	52.46	65.99	2.29	0.71
- Considered Bad	-	-	-	-	-	-
Other Debts						
- Considered Good	1,671.20	2,075.93	697.17	936.61	440.86	145.30
- Considered Bad	-	-	-	-	-	-
TOTAL	2,432.93	2,112.80	749.63	1,002.60	443.15	146.01

Annexure VIII

Details of Loans and Advances

(Rupees In lakhs)

Sr. No	Year / Period Ended	30.09.2010	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
a)	Deposits – EMD	0.55	0.55	7.97	18.97	11.99	5.46
b)	Excise Duty & Other Input Credits	8.70	6.92	75.18	13.69	34.08	5.16
c)	Sales Tax & VAT	9.10	9.10	9.10	9.10	12.90	-
d)	Prepaid Expenses	0.58	0.58	-	1.17	0.09	0.31
e)	Advances to Suppliers	69.93	118.30	167.68	46.34	38.52	44.18
f)	Advances to Staffs	1.05	0.13	0.86	2.57	-	-
g)	Gemini Engineers & Fabricators (Group firm)	10.92	10.92	10.92	10.92	10.92	6.97
h)	Expert Engineers (Group firm)	-	-	-	-	-	5.00
i)	Rakesh D. Panchal (Promoter)	17.81	15.00	-	-	0.10	-
j)	Hitesh D. Panchal (Promoter)	12.08	12.08				
k)	Dalpatram J. Panchal (Promoter)	-	-	-	-	-	2.00
l)	Sunita D. Panchal (Promoter)	-	-	-	-	-	1.95
m)	Other Deposits	36.65	22.45	1.03	0.94	1.28	1.25
n)	Excise BG Revocation	0.85	9.19				
o)	Accrued Interest	4.27	9.23	7.90	2.00	5.15	-
p)	Labour Court Deposit	10.00	-	-	-	-	-
q)	Advance to Raj Properties	80.00	-	-	-	-	-
r)	Advance Tax & TDS	29.27	26.94	26.80	74.77	50.11	7.30
	TOTAL	291.76	241.39	307.44	180.47	165.14	79.58

Capitalization Statement (Restated)
(Rupees In lakhs)

Particulars	Pre Issue as on 30 September, 2010	Post Issue *
Borrowing		
Short Term Debt	1015.96	[•]
Long Term Debt	299.79	[•]
Total Debt	1315.75	[•]
Shareholders Fund		
Share Capital		
Equity	635.26	[•]
Reserve & Surplus	1,170.45	[•]
Less : Misc. Expenditure not W/Off	6.65	[•]
Total Shareholders Fund	1799.06	[•]
Long Term Debt / Equity Ratio	0.17	[•]

* Share Capital, Reserves & Surplus, and Post issue can be calculated on the conclusion of Issue Process

Tax-Shelter Statement

(Rupees In lakhs)

Year / Period Ended	30.09.2010	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Net Profit/(Loss) before Tax (as restated)	272.75	476.83	(40.57)	600.01	178.47	65.29
Tax rate-Normal	33.99%	33.99%	33.99%	33.99%	33.66%	33.66%
Tax at Normal Tax Rates (A)	92.70	162.02	Nil	203.94	60.07	21.98
Interest on Income Tax	-	8.60				
Adjustments :						
Permanent Difference (B)						
Donation & Others	-	-	-	1.52	1.11	1.00
IPO Expenses	-	-	91.13			
Total Permanent Difference	2.04	-	91.13	1.52	1.11	1.00
Temporary Difference (C)						
WDV as per Books	244.27	255.78	28.04	31.23	19.38	12.36
WDV as per Income Tax	237.01	241.72	28.22	32.05	28.07	11.34
Expenses u/s 43B	-	-	-	-	-	-
Total Timing Difference	7.26	14.06	(0.18)	(0.82)	(8.69)	1.02
Deferred tax on timing difference (net of reversal, if any)	(2.36)	4.78	-	-	-	-
Net Adjustments (B) + (C)	(2.36)	4.78	(90.95)	0.70	(7.58)	2.02
Tax Saving thereon	-	-	-	0.24	(2.55)	0.68
Net Tax for the year/ Period	90.34	175.58	13.38	204.18	57.52	22.66

Note:

During the year 2008-09, there has been a restatement of the income due to non charging the expenses of the IPO expenses in that year. Due to restatement, there has been change in the accounting profit only and there has been no change in the profit as per tax laws due to the disallowance of the said expenses under the Income tax laws. Consequently, there is no change in the tax payable for that year.

Annexure XI
Statement of Investments
(Rupees In lakhs)

Year/Period Ended	30.09.2010	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Unquoted Investments						
Shares of Bharat Co Op Bank (Mumbai) Ltd.	1.00	1.00	1.00	1.00	1.00	1.00
TOTAL	1.00	1.00	1.00	1.00	1.00	1.00

Annexure XII
Mandatory Accounting Ratios (on the basis of Restated Figures)
(Rupees In lakhs)

Year / Period Ended	30.09.2010	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Basis of Accounting Ratio						
Net Profit after tax but before Extraordinary Item (1)	182.41	301.25	(53.95)	384.55	122.75	38.29
Weighted No. of Equity Shares (in Lakhs) (2)	63.53	63.53	63.42	51.10	39.87	33.22
Net Worth (3)	1,799.06	1,623.30	1,322.05	1219.35	348.25	67.87
*Total No. of Shares outstanding at the end of year/period	63.53	63.53	63.53	62.18	12.84	1.00
Accounting Ratios:						
Earning per shares (on face value of Rs. 10/- equity shares) (Rs.)	2.87	4.74	(0.85)	7.52	3.07	1.15
Return on Net Worth (%) (1/3)	10.14	18.56	(4.08)	31.54	35.25	56.37
Net Assets Value per Share (On face Value Rs.10/- per Equity Share) (Rs.) <i>(on the basis of total outstanding shares as at the closing date)</i>	28.32	25.55	20.81	19.61	27.12	67..87

*Note: Company has split Equity Shares of Rs. 100/- Each to Rs. 10/- Each during the year 2006-07. Accordingly paid up value of shares are taken as Rs. 10/- Each.



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The Ratios have been computed as below:

- I. Earnings per Share (Rs.): Net profit attributable to equity shareholders / weighted average number of equity shares outstanding as at the end of the year / period. Earnings per share are calculated in accordance with Accounting standard 20 "Earnings Per Share" , issued by the Institute of Chartered Accountants of India.
- II. Return on Net Worth (%): Net Profit after tax / net Worth as at the end of the year / period.
- III. Net Assets Value (Rs.): Net worth at the end of the year / Number of Equity Shares outstanding at the end of the year / period.
- IV. Net profit, as appearing in the statement of restated profits & losses, has been considered for the purpose of computing the above ratios.

Annexure XIII

Statement of Dividend Paid

(Rupees In lakhs)

Year / Period Ended	30.09.2010	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Dividend (Interim and final)	NIL	NIL	NIL	NIL	10	NIL
Dividend %	NIL	NIL	NIL	NIL	10%	NIL

Related Party Transactions

As per Accounting Standard (AS-18) on related party disclosures issued by the ICAI, the disclosures of transaction with related party are as follows:

Party	Relationship
Mr. Dalpatram J. Panchal	Promoters
Mrs. Sunita D. Panchal	Promoters
Mr. Rakesh D. Panchal	Promoters
Mr. Ashish D. Panchal	Promoters
Mr. Hitesh D. Panchal	Promoters
M/s. Gemini Engineers & Fabricators	Promoter Group Firm
M/s. Expert Engineers	Promoter Group Firm
Gem Engineering Services	Promoter Group Firm



Sr No	Name of the Party	Relationship	Nature of Transaction	Volume of Transaction during the half year ended Sept 30, 2010	Amount outstanding as on 30 Sept 2010	Volume of Transaction during the period 2009-10	Amount outstanding as on 31 March 2010	Volume of Transaction during the period 2008-09	Amount outstanding as on 31 March 2009	Volume of Transaction during the period 2007-08	Amount outstanding as on 31 March 2008	Volume of Transaction during the period 2006-07	Amount outstanding as on 31 March 2007	Volume of Transaction during the period 2005-06	Amount outstanding as on 31 March 2006
1	Gemini Engineers & Fabricators	Promoter Group Firm	Rent Deposit	-	10.92	-	10.92	-	10.92	-	11.42	-	11.42	-	0.50
			Advances	-	-	-	-	-	-	-	-	3.95	-	-	6.97
2	Expert Engineers	Promoter Group Firm	Rent Deposit	-	-	-	-	-	-	-	-	-	-	-	5.00
			Rent	1.80	4.23	3.60	2.43	3.60	-	3.60	-	3.60	-	3.60	-
3	Dalpatram J. Panchal	Promoters	Advances	-	-	-	-	-	-	-	-	2	-	2	2
			Remuneration	7.86	2.80	10.08	-	10.08	-	10.92	0.05	2.53	0.89	1.1	-
4	Sunita D. Panchal	Promoters	Advances	-	-	-	-	-	-	-	-	1.95	-	1.95	1.95
			Remuneration	-	-	-	-	-	-	-	-	0.77	-	0.87	-

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Statement of Secured Loans

(Rupees In lakhs)

Year / Period Ended	30.09.2010	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Term Loan :						
From The Bharat Co Op Bank (Mumbai) Ltd.	40.02	48.15	63.08	75.88	87.54	99.98
(Secured by first charge on Malad Office Premises)						
Car Loans:						
Car loan from various banks against the security of the respective cars	25.76	28.64	4.20	5.81	2.60	7.24
Working Capital Loan:						
From The Bharat Co Op Bank (Mumbai) Ltd. *	1,015.97	908.24	1,094.33	532.97	319.96	224.24
TOTAL	1,081.75	985.03	1,161.61	614.65	410.10	331.46

* Working capital Loan secured by Hypothecation of all kinds of raw materials, Stock-in- process and finished goods, assignment of book debts, title of goods covered under letter of credit against FLC and additional secured by personal guarantee of promoter director of the Company

Details of Securities against Loan

Sr. No.	Name of Bank	Type of Loan	Amount in Lakhs	Amount in Lakhs Outstanding as on 30.09.08	Interest/ Commission	Security	Repayment /Usage period
1	The Bharat Co-Operative Bank (Mumbai) Ltd.	Cash Credit	1250 (Regular limit of Rs. 950 lakhs and additional adhoc limit of 300 lakhs)	1015.97	12.50 % p.a.	I) Hypothecation of stock & Book Debts not exceeding 90 days II) Collateral Security: 1. Continuation of equitable mortgage by deposit of title deed of: A) Unit No. 3, 4 & 5 in building No. 2 of Sanjay Mittal Indl. Premises Co Op Soc. Ltd., Sir M. V.	On Demand

			has been sanction ed on Sept 15, 2010)			Road, Andheri (East), Mumbai - 400 059 B) Unit No. 103 in Building no. 5 in Akshay Mittal Indl. Premises Co Op Soc. Ltd, Sir M. V. Road, Andheri (East), Mumbai- 400059 C) Unit No. 501 & 805, at Palm Spring Centre, Next to D Mart, Malad Link Road, Malad (W), Mumbai-400064 III) Hypothecation charge over existing machineries IV) Lien over term deposit & Recurring deposits Guarantee : Personal Guarantee of : 1. Mr. Dalpatram J. Panchal 2. Mrs. Sunita D. Panchal 3. Mr. Rakesh D. Panchal 4. Mr. Hitesh D. Panchal 5. Mr. Ashish D. Panchal	
2	The Bharat Co- Operative Bank (Mumbai) Ltd.	Term Loan	99	40.02	14.00% p.a.	a) Equitable mortgage by deposit of title deed of : A) Unit No. 501 & 805, AT Palm	Repayable by 80 Equated Monthly Installment of Rs. 1,70,046/-
3	The Bharat Co- Operative Bank (Mumbai) Ltd.	Bank Guarantee & Letter of Credit	500	Non-Fund Based	1% p.a. (including cash margin)	10 % Margin for Composite BG & LG Limit	



Statement of Restated Cash Flow Statement

(Rupees In lakhs)

YEAR / PERIOD ENDED	Half Year Ended Sept 30, 2010	Year Ended 2009-10	Year Ended 2008-09	Year Ended 2007-08	Year Ended 2006-07	Year Ended 2005-06
A) CASH FLOW FROM OPERATING ACTIVITIES						
Net Profit before tax & Extraordinary Items	272.75	476.84	(40.57)	600.01	178.47	65.29
Adjustments for:						
Depreciation	15.26	23.59	28.04	31.23	19.37	12.36
Interest & Financial Charges	54.64	117.03	127.33	48.47	37.36	7.77
Misc Expenses Written off	-	-	-	0.02	0.02	0.02
Excess Provision Written Off	-	-	-	-	-	-
Dividend Received	(0.15)	(0.15)	(0.15)	(0.15)	(0.15)	(0.15)
Gain on sale of Motor Car	-	(0.21)		(0.33)	-	-
Interest on Fixed Deposits	(4.95)	(12.43)	(6.27)	(4.97)	(5.24)	(0.90)
Rent Receivable			(44.88)			
Others			(0.75)			
Operating profit before Working Capital Changes	337.55	605.09	62.75	674.28	229.37	84.39
Working Capital Changes:						
Adjustment for :						
Increase in Inventories	(25.90)	71.30	(673.71)	(526.32)	(184.80)	(166.43)
Increase in Sundry debtors	(320.13)	(1363.17)	252.96	(559.44)	(297.15)	(76.70)
Increase in Loans & Advances	(48.04)	66.19	(174.94)	(15.33)	(85.56)	(63.72)
Increase in Current Liabilities	405.06	605.68	89.49	188.74	414.26	101.42
Cash Generated from operation	348.54	(14.91)	(443.45)	(238.07)	76.58	(121.04)
Less: Income Tax paid	172.95	17.19	26.66	(76.32)	(70.18)	(9.07)
Net Cash Generated from Operating Activities	175.59	(32.10)	(470.11)	(314.39)	6.40	(130.11)
B) CASH FLOW FROM INVESTING ACTIVITIES:-						
Purchase of Fixed Assets	(3.75)	(50.99)	(6.09)	(360.09)	(109.42)	(131.49)
Miscellaneous Expenditure (Not written off)	-	-	-	(19.93)	-	
Sale of Motor Car	-	1.69	-	3.75	-	-



GEMINI ENGI-PAB LIMITED

Purchase of Investments	-	-	-	0	-	-
Interest received	4.95	12.43	6.27	4.97	5.24	0.90
Dividend Received	0.15	0.15	0.15	0.15	0.15	0.15
Net cash used in Investing Activities	1.34	(36.72)	0.32	(380.15)	(104.03)	(130.44)
C) CASH FLOW FROM FINANCING ACTIVITIES:-						
Interest & Financial Charges paid	(54.64)	(117.03)	(127.33)	(48.47)	(37.36)	(7.77)
Interim Dividend &- Dividend Tax paid	-	-	-	0	(11.40)	-
Shares Allotted During the year	-	-	13.50	163.95	118.40	9.00
Application money Received	-	-	-	(8.00)	8.00	-
IPO Expenses	(6.65)	-	(71.20)			
Proceeds from Borrowings (Net)	(94.28)	248.42	559.44	191.93	71.79	270.36
Share Premium Received	-	-	-	350.51	42.61	-
Net cash used in Financing Activities	(155.57)	131.39	374.41	649.92	192.04	271.59
IPO Expenses (w/off)			91.13			
Net Increase in Cash	21.36	62.58	(4.25)	(44.62)	94.41	11.04
Cash and Cash Equivalent at the beginning of the year	148.90	86.32	90.58	135.20	40.79	29.75
Cash and Cash Equivalent at the end of the year	170.26	148.90	86.32	90.58	135.20	40.79



GEMINI ENGI-FAB LIMITED

5.2. Management Discussion and Analysis of Financial Conditions and Results of Operations

The following discussion of our financial condition and results of operations should be read in conjunction with our restated summary statements as of and for the fiscal years ended March 31, 2006, 2007, 2008, 2009, 2010 and Six month ended September 30, 2010, including the schedules and notes thereto and the reports thereon, which appear in the section titled “Financial Statements of the Company” on Page No. 153 of this Draft Prospectus. The financial statements presented and discussed herein have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act and SEBI (Issue of Capital and Disclosure Requirements) regulations. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year are to the twelve-month period ended on March 31 of that year. The forward-looking statements contained in this discussion and analysis is subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements. Factors that may cause such a difference include, but are not limited to, those discussed in “Forward-Looking Statements” and “Risk Factors”, beginning on Page No. 10 of this Draft Prospectus.

Overview

Fabrication Industry

Fabrication is building of machines, structures, or process equipment as required, by cutting, shaping and assembling components made from raw materials. These equipments are made in various sizes and shapes to serve the demand of the industry namely, cement, dairy, refinery, pharmaceutical, petrochemical, power and chemical. Salvaging is another process under fabrication industry where the corroded portion of the equipment is changed or reworked instead of changing of the entire equipment. In refineries, petrochemical, and nuclear plants there are certain equipment whose tonnage cost is exuberant. These equipments on coming in contact with Exotic Materials such as duplex stainless steel, cupro-nickel, inconel etc. get corroded. In most of these cases the equipments get corroded either from the tube side or the shell side. When it is from the tube side, it becomes costly to replace the entire tube bundle, hence only that part which is corroded is reworked or changed. This gives the equipment new lease of life without incurring heavy expenses.

The industry is highly fragmented and project oriented. The fabrication industry has a market size of Rs. 7500 Crores (US \$ 1,744 Million) per annum. The major activities comprises of fabricated equipment steel structures and transmission towers. The end product is generally fabricated equipment, which does the chemical process to roll out the product, which the fabricated equipments are designed to carry out, as per the requirements.

(Source: www.indiamarkets.com)

The Company

We started our operations in the financial year 1998-99 with manufacturing of spares, channel heads, tube sheets and tube bundles for refineries in an industrial shed at Andheri in Mumbai. In the year 2001, we purchased a unit in the same industrial estate to expand our operations. During 2003, we further expanded our operations by purchasing another unit adjoining the existing location.

On October 1, 2004 we entered into leave and license agreement with M/s Expert Engineers, a registered partnership firm of the Promoters for using and occupying the factory premises including the machineries and other fittings and fixtures therein located at Plot No. 1504, GIDC, Umbergaon, District Valsad, Gujarat. In the year 2005, we entered into manufacturing of heat exchangers for refineries and dairy plants. During 2006, we had taken two adjacent plots on lease/leave and license basis from GIDC to further expand our operations. With this, we were able to manufacture pressure vessels, storage vessels, tanks, heat exchangers, distillation and absorption columns with various types of ferrous and non ferrous materials like carbon steel, stainless steel, nickel, copper, monel, inconel, brass and titanium. With the expansion, our weight handling capacity increased from 18 tonnes to 27 tonnes. During 2006-07 we entered into salvaging of equipments and during 2007-08, we shifted our Mumbai operations from Andheri to Umbergaon, Gujarat at its existing plant to consolidate all its manufacturing operations.

At present, we have following limitations in our existing manufacturing facilities:

- Availability of space
- Weight lifting capacity of more than 27 tonnes
- Rolling of plates with thickness of more than 25 mm;
- Machining of equipments with diameter of more than 1250 mm;
- Heat treatment of equipments;
- Precision drilling; and
- Moulding

Till now, we were dependent on job-workers for the above processes. With a view to expand, own necessary infrastructure including plant & machinery / equipments and enhance time and cost efficiency, we have acquired 54,981 sq. mtrs of land at Village Palgam, Taluka Umbergaon, District Valsad, Gujarat at a total cost of Rs. 345.67 lakhs from internal accruals.

Existing Works:

Plot 1504, 1505 & 1506, Gujarat Industrial Development Corporation, Umbergaon – 396 171, District Valsad, Gujarat

Proposed Works:

Number 62 Paiki 3, 147 Paiki 5 and 148, Village Palgam, Taluka – Umbergaon, District Valsad, Gujarat



GEMINI ENGI-FAB LIMITED

Factors affecting Results of Our Operations

Our results of operations could potentially be affected by the following factors

- ***Any inability to execute larger projects***

Our ability to bid for and win large fabrication projects is also dependent on our ability to show experience in executing projects, demonstrate that we have engineering capabilities in executing technically complex projects, and that we have sufficient financial resources and/or ability to access funds. For many large size contracts, we may not always meet the pre-qualification criteria in our own right as the capacities are determined on the final product total weight lift capacity. Currently we have a total crane lift capacity of 27 tonnes which restricts the size of our operations. Further we have limited experience in production of equipments in excess of the said capacity and after the expansion we will be able to lift equipments up to 125 tonnes. We expect our business to grow as we expand our lift capacity and also get greater access to financial resources and are awarded larger and potentially more profitable projects by our clients.

- ***Volatility in the prices of raw materials***

We require carbon steel, stainless steel, nickel, cupro-nickel, titanium, and brass as our raw material for our fabrication process. We procure all these raw materials from third parties. We do not have any long-term supply contracts with respect to raw material used in the manufacture of our products. Any significant increase in the prices of these raw materials and our inability to pass on increased costs of raw material to our customers, may adversely affect our sales and profitability.

- ***Our dependence on few customers***

We source our raw materials from a number of suppliers and do not have excessive dependence on any single supplier. We do depend on few customers for selling our products since our top ten customers account for approximately 99.81% and 100.00% of our revenues respectively in 2009-10 and six months period ended September 30, 2010.

- ***Competition in our business***

The Major Competitors of the Company include Patels Airtemp (India) Limited, Artson Engineering Limited, Mukand Engineers Limited, GMM Pfaudler Limited etc. Any rapid change in our customers' expectations on accounts of change in technology or introduction of new product or any other reason and failure on our part to meet their expectations could adversely affect our business, results of operations and financial conditions.

▪ ***Collection of receivables from our clients***

On an average basis, the Company gives a credit period of three-odd months to its customers. If a client defaults in making its payment on a project to which we have devoted resources, it could also affect our profitability and liquidity and decrease the capital resources that are otherwise available for other uses. There can be no assurance that the payments will be remitted by our customers to us on a timely basis.

▪ ***Timely Execution of Projects***

The expansion of our proposed project is to be funded by way of proceeds of this issue. Hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute the expansion project within the given time frame, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

However, the industry in which we operate, the execution of contracts is time bound. Our contracts generally carry a clause for levy of late delivery charges in case of failure in meeting the completion of the project within the specified time on account of lapse on the part of our Company. However, at times due to circumstances beyond our control, there may be some delays in completing the projects, which may lead to payment of late delivery charges, which could affect our business and financial condition.

▪ ***Interruptions in the Supply of Electricity***

Currently, our production process at all our manufacturing facilities requires a continuous and adequate supply of electricity and water to ensure that the production process is uninterrupted and smooth-running. We rely on the State Electricity Board for the supply of electricity to our manufacturing locations. We do not have any DG sets as standby arrangement at our location. Any shortage or interruptions in the supply of electricity for extended periods of time will disrupt our operations and increase our production cost.

▪ ***Fluctuation in Foreign Exchange***

During financial year 2009-10, 2008-09 and six months period ended September 30, 2010, our imported raw material was to the extent of Rs. 780.65 lakhs, Rs. 159.80 lakhs and Rs. 4.88 lakhs respectively. After the expansion, the quantum of imported raw material may change. Since we currently sell our entire products in the domestic market, we do not enjoy any natural hedge against the said foreign currency exposure. Further, we are not engaged in exchange rate hedging activities. As a result, we are vulnerable to any adverse movement in foreign currency rate.



GEMINI ENGI-FAB LIMITED

▪ ***General economic and business conditions in India***

We are dependent on the engineering and heavy process equipment, i.e. refinery, food & dairy, cement, power including nuclear power industry. The increased focus of government and sustained increase in budgetary allocation for the power & refinery sector coupled with development of structured and comprehensive infrastructure policy encourages greater private sector participation as well as increased funding by international and multilateral development financial institutions. Thus considerable investments proposed in the above mentioned sector in the medium and long term will be a key to our results of operations.

▪ ***Government Policy including taxes and duties***

Our business is dependent on the refinery, food & dairy, cement, power including nuclear power industrial activities in India and government policies relating to infrastructure development projects. Any changes in taxes and duties pertaining to our raw material including anti-dumping duty will impact raw material supply and/or demand, and subsequent cost.

Compliance with necessary Regulatory norms

We have very limited regulatory experience in managing corporate disclosure and compliance requirements applicable to widely held companies in India and would have to acclimatize ourselves to the new regulatory environment and build-up in-house expertise and resources for the same. If we fail to do so, we may face regulatory actions against us.

Critical Accounting Policies

Management's discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act, the Indian GAAP and SEBI (ICDR) Regulations. The financial statements have been prepared under the historical cost convention on an accrual basis. We have applied the accounting policies consistently. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, related disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. We continually evaluate our estimates and judgments, the most critical of which are those related to revenue recognition. We base our estimates and judgments on historical experience and other factors that we believe to be reasonable under the circumstances. Materially different results can occur as circumstances change and additional information becomes known. Our significant accounting policies are more fully described under the notes to restated summary statements in the section titled "Financial Statements of the Company" on Page No. 153 of this Draft Prospectus. We have identified the following critical accounting policies.

Basis of Preparation of Financial Statements

The Financial Statements have been prepared and presented under the historical cost convention on Accrual basis of accounting principles generally accepted in Indian (GAAP) and comply in material respect with the mandatory Accounting Standards ("AS") issued by the Institute of the Chartered Accountants of India and notified under the Companies Accounting Standard Rules, to the extent applicable and with relevant provisions of the Companies Act, 1956 except accounting for Bonus, Retirement Benefits, Interest on Income tax and Income from sale of scrap which are accounted for on Cash Basis.

Revenue Recognition

Revenue from sales is recognized at the time of dispatch of goods and includes Packing & Forwarding and other charges recovered thereon. Dividend is recognized on receipt basis. Interest on Fixed Deposits is recognized on accrual basis. Income from Sale of Scrap is accounted on Cash Basis.

Fixed Assets and Depreciation

Fixed Assets are capitalized at acquisition cost and any directly attributable to bringing the assets to their working condition for the intended use.

Depreciation on Fixed Assets is provided on Written Down Value basis at the rates prescribed by the Schedule XIV of the Companies Act, 1956.

Inventory Valuation

Inventory has been uniformly valued as under:

Raw Material and Accessories	: At Cost
Consumable	: Charged off to revenue in the year of Purchase
Semi-Finished Goods and Finished Goods	: Average Cost of Production
Scrap	: Cash Basis

Borrowing Cost

Borrowing Costs that are attributable to qualifying assets till the assets are ready for commencement of commercial production are capitalized as a part of the cost of such assets . A qualifying asset is one that necessarily takes substantial period of time to get ready of intended use. Other borrowing cost is charged to revenue.

Preliminary Expenses

Preliminary expenses incurred by the Company are amortized over a period of ten years equally.



GEMINI ENGI-FAB LIMITED

Taxation

Current Tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with the provisions of Income Tax Act, 1961.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Retirement Benefit

Retirement benefits are accounted for on Cash Basis.

Foreign Currency Transaction

Transactions in foreign currencies are accounted at the prevailing exchange rates. Year end balances of payables are translated at applicable year end rates and resultant transaction differences are recognized in the Profit and Loss account. There were no foreign currency assets or liabilities outstanding at the end of the year.

The premium or discount arising at the inception of forward exchange contract are amortized as expense or income over the life of the contract. Exchange differences on such a contract are recognized in the statement of profit and loss in the reporting period in which the exchange rates change.

Provisions, Contingent Liabilities and Contingent Assets

Provision involving substantial degree estimation in measurement is recognized while there is present obligation as result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor provided or disclosed in the Financial Statements.

Change in Accounting Policies

There has been no change in accounting policies in the last five years except for change in accounting of excise/CENVAT during the year 2007-08. Till financial year 2006-07, the company has followed accounting of purchases inclusive of Excise method. However, from the financial year 2007-08, Company has followed treatment of CENVAT credit as per the guidance note of Treatment of CENVAT Credit, issued by The Institute of Chartered Accountants of India.

The Principal Components of Our Statement of Profit and Loss Account

Income

Our Total Income comprises of income from operations, which includes

- Income from sale of products manufactured by our Company
- Income from trading activities
- Other Income

Income from sale of products manufactured by Our Company

We are manufacturing and selling heat exchangers, pressure vessels, tanks, columns, etc.

Trading of products

We generally trade in S.S. pipes, plates, coils and other ferrous materials, etc.

Other Income

Other Income include dividend income, interest on fixed deposits, profit of sale of asset, insurance claim, etc.

Expenditure

Our major heads of expenditure are as under:

Cost of material

Our raw material mainly constitute S.S. Pipes, flanges, plates, coils, titanium tubes, nicole plates, M.S. plates, and angles.

Cost of goods traded

Cost of goods traded includes cost incurred in procuring those products which are meant for resale.

Other Manufacturing Expenses

Other manufacturing expenses include wages, carriage inwards, electricity consumed, factory expenses, packing material, repairs & maintenance, stores & spares, water & electric charges.

Administrative, Selling & Distribution Costs

Our Administrative, Selling & Distribution Cost includes expenses incurred on advertisement, insurance expenses, testing and inspection charges, freight, sales promotion, traveling, sales tax, conveyance, directors' remuneration, auditor's fees, legal charges and other miscellaneous expenditure.



Interest and Financial Charges

The finance charges incurred by us include interest payable by us for short term and long term loans including working capital loans, interest on unsecured loans, loan processing charges, bank guarantees, commission etc.

(Rs. In Lakhs)

Selected Financial Information								
	Half Yearly Ended		Years Ended 31 March					
	Sep-2010	% of Total Income	2010	% of Total Income	2009	% of Total Income	2008	% of Total Income
Income								
Sales of the products manufactured by Company	686.83	43.35	1,831.59	84.44	1,725.24	76.21	1,785.45	76.76
Sale of the products traded by Company	824.89	52.06	808.96	37.30	533.86	23.58	547.17	23.52
Less : Excise Duty Paid	65.39	4.13	159.84	7.37	175.58	7.76	225.53	9.70
Commission	157.85	9.96	-	-	-	-	-	-
Net Sales	1,604.18	101.24	2,480.71	114.37	2,083.52	92.04	2,107.09	90.58
Other Income	29.66	1.87	104.48	4.82	53.51	2.36	24.31	1.05
Increase/ (Decrease) in Inventories	-49.37	-3.12	-416.18	-19.19	126.75	5.60	194.74	8.37
Total Income	1,584.47	100.00	2,169.01	100.00	2,263.78	100.00	2326.14	100.00
Expenditure								
Cost of Material	1,085.62	68.52	1,326.12	61.14	1,758.43	77.68	1,392.27	59.85
Manufacturing Expenses	34.53	2.18	60.56	2.79	128.08	5.66	100.3	4.31
Administrative Expenses	121.66	7.68	164.87	7.60	171.33	7.57	153.84	6.61
IPO Expenses*			-		91.13	4.03		0.00
Interest and Financial Charges	54.64	3.45	117.03	5.40	127.34	5.63	48.47	2.08
Depreciation/Amortization	15.26	0.96	23.59	1.09	28.04	1.24	31.25	1.34
Total Expenditure	1,311.71	82.79	1,692.17	78.02	2,304.35	101.79	1726.13	74.21
Profit / Loss before Tax and Extra Ordinary Items	272.76	17.21	476.84	21.98	-40.57	-1.79	600.01	25.79
Provision for Taxation								
Current Tax	92.71	5.85	170.62	7.87	15.64	0.69	214	9.20
Fringe Benefit Tax	-		-		1.27		1.3	
Less/(Add) Deferred Tax	-2.36	-0.15	4.97	0.23	-3.53	-0.16	0.16	0.01
Profit/(Loss) after Tax before Extra ordinary items	182.41	11.51	301.25	13.89	-53.95	-2.38	384.55	16.53

Extraordinary Items					-		-	
Net Profit/(Loss) after tax & Extraordinary Items	182.41	11.51	301.25	13.89	-53.95	-2.38	384.55	16.53
Earlier Year/Prior Period Adjustments			-		-		-	
Net Profit/ (Loss)	182.41	11.51	301.25	13.89	-53.95	-2.38	384.55	16.53

Comparison of Performance and Analysis of Developments for Financial half year ended 30 September 2010 vis-à-vis financial year ended 31st March 2010

Sale

During the six months period ended September 30, 2010, the Company registered Net Sales of Rs.1604.18 Lakhs as compared to Rs.2480.71 Lakhs during the FY 2009-10

Operating and Administrative Expenses

During the six months period ended September 30, 2010, the Company incurred operating and administrative expenses of Rs. 1241.81Lakhs as compared to Rs. 1551.55Lakhs during the FY 2009-10

Interest & Financial Charges

During the six months period ended September 30, 2010, the Company incurred Interest & Financial charges of Rs.54.64 Lakhs as compared to Rs.117.03 Lakhs during the FY 2009-10.

Depreciation

During the six months period ended September 30, 2010, the Company incurred Depreciation of Rs.15.26 Lakhs as compared to Rs.23.59 Lakhs during the FY 2009-10

Profit after Tax

During the six months period ended September 30, 2010, the Company registered Profit after tax of Rs.182.41 Lakhs as compared to Rs.301.25 Lakhs during the FY 2009-10

Comparison of Performance and Analysis of Developments for Financial year ended 31st March 2010 vis-à-vis financial years ended 2008-09 and 2007-08.

Sales

During the financial year 2009-10, the Company achieved Net Sales of Rs.2480.71 Lakhs as compared to Rs.2083.52 Lakhs, and Rs. 2107.09 Lakhs during the financial year 2008-09 and 2007-08 respectively registering a de-growth of 19.06% and 17.73% annually.



GEMINI ENGI-FAB LIMITED

Operating and Administrative Expenses

During the financial year 2009-10, operating and administrative expenses were Rs.1551.55 Lakhs compared to Rs. 2148.97 Lakhs, Rs. 1646.41 Lakhs during the financial year 2008-09 and 2007-08 respectively registering a growth of (27.79)%, and (5.76%) annually.

Interest & Financial Charges

During the financial year 2009-10, interest financial expenses were Rs.117.03 Lakhs compared to Rs. 127.34 Lakhs and Rs. 48.47 Lakhs during the financial year 2008-09 and 2007-08 respectively registering a de-growth of (8.09 %) and growth of 141.44% annually.

Depreciation

During the financial year 2009-10, depreciation was Rs.23.59 Lakhs compared to Rs. 28.04 Lakhs and Rs. 31.25 Lakhs during the financial year 2008-09 and 2007-08 respectively registering a de-growth of (15.87%) and (24.51%) annually.

Profit after Tax

During the financial year 2009-10, profit after tax was Rs.301.25 Lakhs compared to Rs. (53.95) Lakhs and Rs.384.55 Lakhs during the financial year 2008-09 and 2007-08 respectively registering 117.91% and 27.65% decline in profit the last two subsequent years annually.

Risk Analysis

As explained in the table below, various critical risk factors for the project have been addressed and adequate risk sharing/mitigation measures have been put in place to ensure smooth implementation and operation of the project.

Risk Description	Risk Mitigation
Implementation Risk	
Cost increase and Price Escalation	To mitigate the risk a contingency provision for the project cost should be made.
Completion Delay	The project will be professionally managed, who in the past has successfully implemented similar large size projects.
Non Political Force majeure/damage/destruction	Commercial insurance is to be taken by Company to cover such risks.
Post Implementation Operation Risk	
Raw Material Risk	The availability of the raw materials is not a constraint especially in view of established supplier network and the growing trends of the industry.
Equipment Defects	All the plants and machinery are being sourced from the reputed equipment suppliers in the Fabrication sector. Further the machinery are purchased with

Risk Description	Risk Mitigation
	an agreement to rectify the defect if any arising during the period of one year.
Technology Risk	The technology considered is proven, well established, tried and tested. The Company is installing state of the art imported machines for the project.
Post Implementation Selling Risk	
Revenue Risk	The multi segment and multi market presence mitigates the risk of downturn in demand from any particular segment/market.
Competition Risk	Company has a steady market for its products and has established in the market segment, in which it operates.
Dependence on Few Customers/Suppliers	We source our raw materials from a number of suppliers and do not have excessive dependence on any single supplier. We do depend on few customers for selling our products since our top ten customers account for approximately 100.00% of our revenues for half year ended September 30,2010 and 99.92% for financial year ended March 31,2010
Industry Segment in which the Company Operates	Our Company operates in only one Industry segment i.e. Fabrication.

Financial Position

As on September 30, 2010 our net worth was Rs. 1799.06 lakhs, which increased from Rs. 1623.30 lakhs, Rs. 1322.05 lakhs, and Rs. 1219.35 lakhs in 2009-10, 2008-09 and 2007-08 respectively, registering a growth of 9.77%, 26.51%, and 32.22% annually.

Assets

The following discussion compares our financial position as of September 30, 2010, March 31 2010, 2009, and 2008

(Rs In lakhs)

Particulars	Half Year Ended	Year Ended March 31		
	Sep 30, 2010	2010	2009	2008
Fixed Assets (Net Block)	612.21	623.72	598.23	620.17
Capital Work in progress	-	-	-	-
Investments	1.00	1.00	1.00	1.00
Inventory	1576.55	1550.65	1621.95	948.24
Sundry Debtors	2432.93	2112.80	749.63	1002.60
Cash and Bank balances	170.26	148.90	86.32	90.58
Loans and Advances	291.76	241.39	307.44	180.47
Total Assets	5084.71	4678.46	3364.57	2843.06



GEMINI ENG-FAB LIMITED

Investments

The Company has invested a sum of Rs. 100000 in the shares of Bharat Co-operative Bank Limited.

(Rupees in lakhs)

Year / Period Ended	Sep 30, 2010	March 31, 2010	March 31, 2009	March 31, 2008
Unquoted Investments	-	-	-	-
Shares of Bharat Co Op Bank (Mumbai) Ltd.	1.00	1.00	1.00	1.00
TOTAL	1.00	1.00	1.00	1.00

Sundry Debtors

The rise in the amount of Sundry debtors over the years is mainly attributable to the increase in our customer

The following is the breakup of outstanding sundry debtors in the last three years

(Rupees In lakhs)

Year / Period Ended	Sep 30, 2010	March 31, 2010	March 31, 2009	March 31, 2008
Debts outstanding exceeding six months				
- Considered Good	761.73	36.87	52.46	65.99
- Considered Bad			-	-
Other Debts				
- Considered Good	1,671.20	2,075.93	697.17	936.61
- Considered Bad				-
TOTAL	2,432.93	2,112.80	749.63	1,002.60

Cash and Bank Balance

Our cash and bank balance consist of cash in hand, balance with scheduled banks, fixed deposit and accrued interest thereon.

Status of any publicly announced New Products or Business Segment

We have not announced any new products or business Segment.

Seasonality of Business

Business of our Company is not seasonal.

Dependence on a single or few suppliers or customers

We source the raw materials from a number of suppliers and do not have excessive dependence on any single supplier. We also do not depend on a limited number of customers for selling our products.

Competitive Conditions

We believe that on account of our competitive strengths we are well positioned to enhance our position in the sector in which we operate.

Details of material developments after the date of last Balance Sheet

No circumstances have arisen since the date of the last financial statement until the date of filing of this Draft Prospectus/Prospectus with SEBI, which materially and adversely affect or is likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months.

Liquidity and Capital Resources

The primary liquidity requirements are to finance the working capital needs & the capital expenditure. The requirement of working capital is to finance the purchase of raw material, make necessary advance to supplies and undertake and manufacturing activities before full payment is received from the customers. To fund these costs, we have relied on short-term and long-term borrowings, including working capital financing, term loans and flows from operating activities.

Cash Flow Position

The following table summarizes our cash flows for September 30, 2010 and March 31, 2010, 2009, and 2008:

(Rs. In Lakhs)

Particulars	Half Year Ended	Year Ended March 31,		
	Sep 30,2010	2010	2009	2008
Net cash generated from Operating Activities	175.59	(32.10)	(470.11)	314.39
Net cash generated from Investing Activities	1.34	(36.72)	0.32	(380.15)
Net cash generated from Financing Activities	(155.57)	131.39	374.41	649.92
Net Increase/(Decrease) in Cash and Cash Equivalents	21.36	62.58	(4.25)	(44.62)

Operating Activities

Our operations resulted in Net cash outflow of Rs. 32.10 lakhs and Rs. 470.11 lakhs in the financial year 2009-10 and 2008-09 respectively. There was an inflow of Rs. 175.59 lakhs and Rs. 314.39 lakhs in the financial half yearly ended September 2010 and financial year 2007-08.



GEMINI ENGI-FAB LIMITED

Investing Activities

Net cash outflow in Investing Activities was Rs. 36.72 lakhs and Rs. 380.15 lakhs respectively in the financial year 2009-10 and 2007-08 respectively. There was an inflow of Rs. 1.34 lakhs and Rs0.32 lakhs in the financial half yearly ended September 2010 and financial year 2008-09.

Financing Activities

Net cash inflow from financing activities was Rs. 155.57 lakhs in the financial half yearly ended September 2010. There was an inflow of Rs. 131.39 lakhs, Rs. 374.41 lakhs and Rs. 649.92 lakhs in the financial year 2009-10, 2008-09 and 2007-08 respectively.

SECTION VI – LEGAL AND OTHER INFORMATION

6.1 OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Our Company is involved in certain legal proceedings / claims which are incidental to our business and operations. There are outstanding litigations involving our Company, its Directors, Promoters and Group Companies. These proceedings are pending at different levels of adjudications. We can give no assurances that these proceedings would be decided in our favour. Any decision which may be against us, partly or fully would adversely affect our financial position and cash flows.

At the same time, our Company has also initiated legal proceedings against certain parties under Negotiable Instruments Act 1889 and for recovery of Company dues from such parties. Details of legal proceedings against and by the Company are given as under:

OUTSTANDING LITIGATION STATUS IN THE MATTER OF GEMINI ENGI - FAB LIMITED

A) Cases Filed Against the Company:-

➤ In the City Civil Court at Mumbai

- On October 9, 2009, the merchant Banker M/s Almondz Global Securities Ltd. has filed special Suit No. 2247 of 2009 against the Gemini Engi-Fab Ltd.
- The above mentioned suit is filed for restraining the Defendant from holding press conference, writing or publishing letters, news report, Articles or Telecasting on television or any other medium accusing the plaintiff for breach of trust.
- The Notice of Motion No. 1749 of 2009 in Suit No. 2247 of 2009 filed by the plaintiff.
- The Id. Court issued summons dated October 15, 2009 for answer the suit.
- The defendant filed written statement in Notice of Motion No. 1749 of 2009
- The Id. Court refused ad-interim relief by its Order dated 14/10/2009
- The matter is pending till date.

➤ Appeal in form E.A- 1/ EA-2 filed against Order No. 76/DEM/VAP/2009-2010 dated 29/03/2010

- The Joint Commissioner of central Excise issued a show cause Notice against the company asking them as to why :-
 - a) Cenvat Credit amounting to Rs. 13, 14,319/- wrongly availed by them should not be recovered from them in terms of section 11A(I) of Central Excise Act, 1994 read with rule of Cenvat Credit Rules, 2004
 - b) Interest at the appropriate rates as applicable on amount mentioned above (i) should not be recovered from them, under Section 11AB of the Central Excise Act, 1994.
 - c) Penalty should not be imposed upon the company under Rule 25 of the Central Excise Act, 1994.



The Company through its reply dated October 10, 2009 denied all the allegations levied against it but did not submit anything in its defense. An opportunity for personal hearing was granted to the company on March 10, 2010, March 16, 2010 and March 23, 2010, but the company or its representatives failed to appear on the said dates.

Later on March 29, 2010 the Joint Commissioner of Excise, Vapi passed the following exparte order against the company:-

- The Cenvat credit of Rs. 9,87,206/-(Rs. Nine Lakh Eighty Seven Thousand, two hundred six only) taken by Gemini Engi Fab Ltd ; Umbergoan in terms of Section 11A(2) of Central Excise Act, 1994 read with Rule 14 of Cenvat Credit Rules, 2004 was disallowed.
- To recover interest from the Company at appropriate rate on the disallowed Cenvat Credit amount as per Rule 14 of Cenvat Credit Rules 2004 read with Section 11AB of the Central Excise Act, 1994.
- While passing exparte Order imposed penalty of Rs. 9, 87,206/- on Company, under section 11AC of the Central Excise Act, 1994.

Aggrieved by the said exparte Order the Company has filed an Appeal and stay application before the office of Commissioner, Central Excise (Appeals), Vapi. The same is still pending before the Commissioner (Appeals) at Vapi.

➤ **Appeal and stay Application against Order No. 75/J.C./DEM/VAPI/2009 – 10 passed by Joint Commissioner of Central Excise, Vapi.**

The Joint Commissioner of Central Excise issued a Show Cause Notice against the company asking them as to why:-

- Cenvat Credit amounting to Rs. 13, 14, 391/- wrongly availed by them should not be recovered from them in terms of Section 11A(1) of Central Excise Act, 1994 read with rule 14 of Cenvat Credit Rules, 2004
- Interest at the appropriate rates as applicable on amount mentioned above (i) should not be recovered from them, under Section 11AB of the Central Excise Act, 1994.
- Penalty should not be imposed upon the company under Rule 25 of the Central Excise Rules, 2002 read with Cenvat Credit Rules, 2004.

The Company through its reply dated October 10, 2009 denied all the allegations levied against it but did not submit anything in its defence.

Personal hearing was granted to Company on March 10, 2010, March 16, 2010 & March 23, 2010. But the Applicant or its representative failed to appear on the said dates.

Later on March 29, 2010 the Joint Commissioner of Excise, Vapi passed the following ex-parte order against the Company:-

- The Cenvat Credit of Rs. 13,14,391 taken by M/s Gemini Engi- Fab Limited; Umbergaon in terms of Section 11A(2) of Central Excise Act, 1994 read with Rule 14 of Cenvat Credit Rules, 2004 was disallowed.
- To recover interest from M/s. Gemini Engi- Fab Ltd. at appropriate rate on the disallowed Cenvat Credit amount as per Rule 14 of Cenvat Credit Rules, 2004 read with Section 11AB of the Central Excise Act, 1994.
- M/s/ Gemini Engi - Fab Limited to pay a penalty of Rs. 2,00,000 under Rule 25 of the Central Excise Rules, 2002 read with Rule 15 of Cenvat Credit Rules, 2004.

Affected & aggrieved by the said order the Company preferred an Appeal and stay Application before the officer of Commissioner, Central Excise (Appeals), Vapi. The same is still pending before the Office of The Commissioner.

B) Show Cause Notices Issued Against the Company

- **Show Cause Notice No. V(Ch73)3-1/OA/2010/6674 dated 29/03/2010 issued by Commissioner, Central Excise & Customs Vapi.**

The above said show cause Notice issued by the Commissioner, Central Excise, Vapi calling upon the Company to show cause to the Commissioner, Central Excise & Customs, Vapi as to why:

- The duty of Central Excise totaling to Rs. 55,90,080/- (Rs. Fifty Five Lakhs Ninety Thousand and Eighty Only) (Central Excise Duty Rs. 54,80,470/- + Education Cess Rs. 1,09,610/-) involved in the illicit clearance of excisable goods, should not be demanded and recovered from them under the provision to section 11 A(1) OF Central Excise Act, 1994. Since the unit has subsequently paid an amount of Rs. 20,75,144/-, why the same should not be confirmed and appropriated against the above demand.
- Interest at the appropriate rate under the provisions of section 11AB of the Central Excise Act, 1994 on amount of Central Excise duty at (i) above, should not be recovered from them;
- Penalty under section 11AC of the Central Excise Act, 1994 read with Rule 25 of Central Excise Rules 2002 should not be imposed on them;
- The principles as to presumption of documents as laid down under section 36 A of the Central Excise Act, 1994 should not be applied in relation to the documents/records seized from their custody control or possession and /or from the custody /control or possession of other related person(s);

The Company Gemini Engi Fab Ltd has filed its written defense to the above said show cause Notice, on July 06, 2010. The matter is still pending before the Commissioner, Central Excise & Customs, Vapi.



➤ **Show Cause Notice No. V (Ch.73)3-63/09-10/6151 dated 09/02/2010 issued by Asst. Commissioner, Central Excise & Customs Div. Vapi.**

The Asst. Commissioner Central Excise, Vapi alleged that the Company has availed Cenvat Credit twice i.e. first at the time of import of raw material and second on the basis of invoices issued by the job worker. The job worker has issued the invoice of said goods, instead of issuing the job work challan/bill, which is improper. Moreover, they had not paid duty as per new Rules 10A inserted in the Central Excise Valuation Rules, 2000 wherein the goods manufactured by the job worker on behalf of principle manufacture, the Value for payment of excise duty would be based on the sale value at which the principle manufacture sales the goods. In view of the aforesaid, the above said Show cause Notice issued by the Asst. Commissioner, Central Excise & Customs Div. Vapi, calling upon the Gemini Engi Fab Ltd to Show Cause as to why:

- Cenvat Credit of Central Excise duty amounting to Rs. 56,341/- (BED Rs. 54700/- + Edu. Cess Rs. 1094/- + S&H Edu. Cess RS. 547/-) irregularly availed by them as discussed and detailed above should not be recovered from them under Rule 14 of Cenvat Credit Rules, 2004 read with Section 11A (1) of Central Excise Act, 1994.
- Interest, at the appropriate rates & as applicable in force, should not be recovered from them, under Rule 14 of Cenvat Credit Rules, 2004 read with section 11AB of the Central Excise Act, 1994.
- Penalty should not be imposed upon them under Rule 15(2) of Cenvat Credit Rules, 2004 read with section 11AC of Central Excise Act, 1994.

The Company has requested time for submission its written defense to this show Cause Notice by its letter dated March 17, 2010. The matter is still pending before Asst. Commissioner, Central Excise & Customs, Div. Vapi.

➤ **Show cause Notice bearing No. V (Ch. 73)3-23/S.C.N/08-09 Dt: 25.08.2008**

The Company had exported 18990 Kgs of machinery spares valued at Rs. 21, 08,180/- to Reliance Petroleum Ltd., SEZ, Jamnagar without sealing and supervision of the Central Excise authorities on August 8, 2007.

Now as per Rule 30 of the Special Economic Zone Rules, 2006, the Domestic Tariff Area supplier while supplying the goods should clear the goods, as in the case of exports, either under bond or as duty paid goods under claim of rebate on the cover of ARE-I.

Now under Notification No. 42/2001-CE (NT) dated. 26/6/2001, as amended, issued under rule 19 of Central Excise Rules, 2002. Any excisable goods may be cleared for export without payment of duty under the cover of Bond/ LUT and the triplicate and quadruplicate copies of the ARE-1 should be sent to the Jurisdictional Central Excise Officer for verification within twenty four hours.

In the present Circumstance it was although observed that the said goods were received on August 11, 2007 at gates of Reliance Petroleum Ltd while allegedly the company applied for LUT to the competent Authority only on 17-08-2008 although it is alleged that the same were cleared for SEZ on August 8, 2007 itself.

Therefore it is show caused as to why:-

- Central Excise duty amounting to Rs. 3,47,428 should not be recovered from us in terms of Section 11A(1) of Central Excise Act, 1994.
- Interest, of appropriate rates & as applicable in force, on amount mentioned above (i) should not be recovered from us in terms of Section 11AB of the Central Excise Act, 1994.
- Penalty should not be imposed upon them under Rule 25(a) of the Central Excise Rules, 2002.

The Company through its reply dated May 17, 2008 has strictly rebutted the allegations/ claims of the Joint Commissioner of Central Excise.

C) Cases Filed by the Company

➤ **In the Court of Metropolis Magistrate at Borivali**

- The Gemini Engi-Fab Ltd has filed a complaint No. 1616/ss/2009 U/s 405 & 34 of I.P.C. against M/s Almondz Global Securities Ltd.
- The Ld. Magistrate have forwarded this complaint to the Inspector of Police, Bangur Nagar Police Station Malad for the inquiry U/s 202 Cr.p.c. and ordered to submit Investigation Report in the said complaint.
- The matter is pending till date.

➤ **M/s. Gemini Engi-Fab Ltd v/s Mr. Kishor R. Gathani**

The Company entered into an agreement with one Mr. Kishor B. Gathani on May 30, 2008 for the purpose of getting itself registered with Engineers India Limited. A remuneration/ commission of Rs. 7,00,000 was fixed for getting the said work done. Payment for the same was made by the Plaintiff through its cheques dated May 30, 2008 and June 6, 2008 for Rs. 5, 00,000 and 2, 00,000 respectively. Mr. Kishor B. Gathani was supposed to get the company registered by June 2008, although he failed to get the company registered.

Looking into the constant failure on the part of Mr. Kishor the Company finally decided to cancel the contract and agreed to enter into a MOU with Mr. Kishor wherein he will repay all the monies taken from the company. In lieu of the circumstance Mr. Kishor issued two cheques dated December 31, 2008 amounting to Rs. 7,00,000 in favour of the company although on this submission of these cheques the bank denied honoring the same.

Looking into the circumstance the Plaintiff wrote a letter to Mr. Kishor about the issue but on not hearing anything from Mr. Kishor the company decided to go ahead and thus filed a summary suit under order 37 Rule 2 of Code of Civil Procedure, 1908. The suit was thus filed in the High Court of Judicature at Bombay on 25/07/09. The same has been numbered as Summary Suit No. 1854 of 2009.



GEMINI ENGI-FAB LIMITED

6.2 GOVERNMENT APPROVALS

In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any government or regulatory authority or any other entity are required to undertake the Issue or continue our business activities. It must however, be distinctly understood that in granting the above approval, the Government and the other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statement or any commitments made or opinion expressed. Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus.

➤ Company Specific Approvals

Certification of incorporation of our Company, issued by the Registrar of Companies at Mumbai, bearing certificate number 11-112909, certifying that Gemini Engi-Fab Private Limited is incorporated under the Companies Act, 1956, as a Private Limited Company on January 12, 1998. Fresh Certificate of Incorporation dated January 9, 2007 consequent upon change of name on conversion to public limited company, issued by Registrar of Companies at Mumbai certifying that the name of Gemini Engi-Fab Private Limited has changed to Gemini Engi-Fab Limited by passing the necessary resolution under the provisions of the Companies Act, 1956

Corporate Identity Number U28920MH1998PTC112909 issued to our Company by the Ministry of Company Affairs, Government of India. The Corporate Identity Number was changed to U28920MH1998PLC112909 by the Registrar of Companies on January 9, 2007 pursuant to the change in the status of our Company from a private limited to a Public Limited Company.

➤ Approvals for the Business

Certificate of Importer Exporter Code (IEC) dated February 1, 2008 issued by the Ministry of Commerce to our Company allotting IEC Number 0397089511 and stating date of issue as March 2, 1998.

Permanent Enlistment Certificate bearing number NSIC/GP/RE/PMT/GUJ/G-153/2008-09/A, dated June 11, 2008, issued by the National Small Industries Corporation Limited, in favour of our Company, registering our Company as an SSI unit eligible for participating in the Central Government Stores Purchase Programme for certain items and stores. Received a fresh Enlistment Certificate bearing number NSIC/GP/RE/PMT/GUJ/G-153/2010-11/A-44, dated July 7, 2010, which is valid for 2 years from the date of Issue.

SIA registration number 1071/SIA/IMO/2008 dated April 8, 2008, issued by the Secretariat for Industrial Assistance, Ministry of Commerce and Industry, Government of India, in favour of our Company for manufacture of heat exchangers and reactors, vessels, pressure vessels and columns. SIA registration number 1073/SIA/IMO/2008 dated April 8, 2008, issued by the Secretariat for Industrial Assistance, Ministry of Commerce and Industry, Government of India, in favour of our Company for manufacture of fabricated structural products and fabricated metal products.

- **LABOUR LAW REGISTRATIONS**

Mumbai Office

Bombay Shops and Commercial Establishment Act, 1948

Registration Certificate dated February 01, 2008 bearing Registration Number 760036933, issued by the Office of Inspector, Bombay Shops and Commercial Establishment Act, 1948, for Registered Office of our Company, certifying that our Company has been registered as a commercial establishment employing eight persons. The registration is valid till December 31, 2011.

Employees Provident Fund and Miscellaneous Provisions Act, 1952

Registration under the Employees Provident Fund Organization, bearing reference number, has been obtained by Gemini Engi-Fab Private Limited Code number MH/93790 has been allotted for the purpose of complying with the Employees Provident Fund and Miscellaneous Provisions Act, 1952.

Employees' State Insurance Act, 1948

Our company has obtained Code No. 31-36902-67SF under the Employees' State Insurance Act, 1948.

Gujarat Office

Factories Act, 1948

License No. 093123 and Registration No. 34(341-3) 323/A, under the applicable provisions of the Factories Act, 1948 for our factory situated in Plot No. 1504, G.I.D.C., Umbergaon, District Valsad (Gujarat) to employ not more than 20 workers in the factory was transferred in the name of Gemini Engi-Fab Private Limited from Expert Engineers as occupant vide letter dated October 21, 2004 issued by the Deputy Chief Inspector of Factories, Surat Region, Surat. This approval is valid upto December 31, 2011 and is subject to annual renewal.

Our Company has submitted an application dated May 01, 2008 to Deputy Chief Inspector of Factories, Valsad, regarding change of name of our Company from Gemini Engi-Fab Private Limited to Gemini Engi-Fab Limited Pursuant to obtaining the above mentioned sanction dated January 28, 2008, our Company has filed application dated May 1, 2008 with the Deputy Chief Inspector of Factories, Valsad Region, Valsad, for addition of plot no. 1505 and 1506, GIDC, Umbergaon, District Valsad, Gujarat in the above mentioned factory license under the Factories Act, 1948.



GEMINI ENGI-FAB LIMITED

Contract Labour (Regulation and Abolition) Act, 1970

Certificate of registration dated April 08, 2008, bearing serial number MMK/VL/K.L.A/2RG/8/2008, issued by the Assistant Labour Commissioner, Valsad, Gujarat, under the Contract Labour (Regulation and Abolition) Act, 1970, granted to our Company for employing a maximum number of 15 contract labour supplied by Renuka Engineering Works, the contractor, on any given day.

• TAXATION RELATED APPROVALS AND LICENSES

Mumbai Office

Value Added Tax

Certificate of Registration dated April 1, 2006, under Maharashtra Value Added Tax Act, 2002, bearing Number MH01 V 175723 evidencing registration of Gemini Engi-Fab Private Limited, effective from April 1, 2006, with a principal place of business located at 5C-103, Mittal Industrial Estate, Marol Naka, Andheri-Kurla Road, Andheri (East), Mumbai and additional place of business at Unit 2, 345, Mittal Industrial Estate, Marol Naka, A.K. Road, Andheri East, Mumbai, as dealers under the said enactment with TIN No. 27230345966 V.

Certificate of Registration dated April 1, 2006, under Maharashtra Value Added Tax Act, 2002, bearing Number MH01 V 175722 evidencing registration of Gemini Engi-Fab Private Limited, effective from April 1, 2006, with a principal place of business located at 5C103, Mittal Industrial Estate, Marol Naka, Andheri-Kurla Road, Andheri (East), Mumbai, and additional place of business at Unit 2, 345 Mittal Industrial Estate, Marol Naka, A.K. Road, Andheri East, Mumbai, and Plot No. 1504, GIDC, Umbergaon, Valsad, Gujarat, as dealers under the said enactment with TIN No. 27230345966 V

Certificate of Registration dated April 1, 2006, under Maharashtra Value Added Tax Act, 2002, bearing number MH01 V 175724 evidencing registration of Gemini Engi-Fab Private Limited effective from April 1, 2006, with a principal place of business located at 5C-103, Mittal Industrial Estate, Marol Naka, Andheri-Kurla Road, Andheri (East), Mumbai, and additional place of business at Plot No. 1504, GIDC, Umbergaon, Valsad, Gujarat as dealers under the said enactment with TIN No. 27230345966 V.

Central Sales Tax

Central Sales Tax Registration Certificate dated April 1, 2006, bearing number MH 01 C 099616 under Central Sales Tax (Registration and Turnover) Rules, 1957, valid with effect from April 1, 2006, evidencing the registration of Gemini Engi-Fab Private Limited with a principal place of business located at 5C-103, Mittal Industrial Estate, Marol Naka, Andheri-Kurla Road, Andheri (East), Mumbai, and additional place of business at Unit 2, 345 Mittal Industrial Estate, Marol Naka, A.K. Road, Andheri East, Mumbai and Plot No. 1504, GIDC, Umbergaon, Valsad, Gujarat, as a dealer under the said enactment with TIN No. 27230345966 C.

Tax Deduction Account Number

Tax Deduction Account Number issued by the Income Tax Department, allotting to our Company Tax Deduction Account Number MUMG07502F.

Permanent Account Number

Permanent Account Number card issued by the Chief Commissioner of Income Tax, Mumbai, allotting PAN AAACG7948N to our Company.

Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975

Certificate of Registration dated September 21, 1998, bearing number PT/R/1/1/29/18539, issued under Section 5(1) of the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975, registering Gemini Engi-Fab Private Limited, as an employer under the said Act.

Certificate of Enrolment dated September 21, 1998, bearing number PT/E/1/1/29/18/4383 issued under the Section 5(2) or (2A) of the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975, enrolling Gemini Engi-Fab Private Limited, as a tax-payer under the said Act.

Service Tax Code Number

Service Tax Code Number AAACG7948NST003 issued in favour of our Company by the office of Assistant Commissioner of Service Tax, Mumbai, vide letter dated February 8, 2008.

*Gujarat Office***Central Excise**

Central Excise Registration Certificate under Rule 9 of the Central Excise Rules, 2002, dated August 10, 2007, issued in favour of our Company, for manufacturing of excisable goods at Plot No. 1504, 1505 and 1506, GIDC, Umbergaon, Valsad, Gujarat, 396171 bearing registration No. AAACG7948NXM002 for the purpose of payment of excise duty at Gujarat.

Service Tax Code Number

Service Tax Code number AAACG7948NST002 issued in favour of our Company by the office of the Central Excise and Customs Division, Gujarat, vide letter dated August 10, 2007.



GEMINI ENGI-FAB LIMITED

Entrepreneurs Memorandum Number

Entrepreneurs Memorandum Number 240251100757 issued by District Industries Centre, Valsad, on February 28, 2008 (date of issue for revised as of 28/5/10), under Industries (Development and Regulation) Act, 1951, with respect to our Company's manufacturing enterprise at Plot No. 1504 to 1506, G.I.D.C. Umbergaon, Taluka, Umbergaon, District-Valsad, Gujarat

Value Added Tax

Certificate of Registration under Gujarat Value Added Tax Act, 2003 dated January 25, 2005, bearing Number 24250501571, effective from August 1, 2004, evidencing registration of Gemini Engi-Fab Private Limited as a dealer under the said Act, with a principal place of business located at Plot No. 1504, 3rd Phase, GIDC Umbergaon, Valsad, Gujarat.

➤ **Central Sales Tax**

Central Sales Tax Registration Certificate dated January 25, 2005, bearing number 24750501571 under Central Sales Tax (Registration and Turnover) Rules, 1957, valid with effect from August 27, 2004, evidencing the registration of Gemini Engi-Fab Private Limited as a dealer under the said Act with a principal place of business located at Plot No. 1504, Phase III, GIDC Umbergaon, District Valsad, Gujarat and additional place of business at 2/4, Mittal Industrial Estate, Marol Naka, A.K. Road, Andheri (East), Mumbai.

➤ **Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976**

Certificate of Registration dated March 18, 2008, bearing number PR2505000087 under Section 5(1) of the Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976, registering our Company located at 1506 GIDC, Plot 1504, Umbergaon, as an employer under the said Act, with effect from March 18, 2008.

➤ **Surrender of Approvals in relation to manufacturing operations at Mumbai**

Since the manufacturing operations at Mumbai have been shifted to Umbergaon, Gujarat we have surrendered all relevant approvals/certificates/registrations in relation to our manufacturing operations in Mumbai, to the concerned government authorities.

➤ **Approvals in relation to our Expansion Project**

Gujarat Pollution Control Board has given its consent for use of outlet of Company situated at Plot No. 1504-1506, GIDC, Umbergaon, Dist. Valsad, Gujarat, for the discharge of trade effluent & emission due to operation of industrial

plan for manufacturing of product of our Company as per Consent Order No. 10124 dated August 29, 2008 with validity period up to July 16, 2013.

Letter dated October 3, 2009 with Ref No. CB/NA/Reg. No. 14/08/ws.2513 RE 2522 was issued by Office of the Collector, Valsad to the Issuer Company certifying use of the land (situated at Survey no. 62 Paiki 3, Survey No. 147 Paiki 5 and Survey No. 148, all under Khata No. 155, Village Palgam, Taluka Umbergaon, District Valsad) for Bonafide Industrial Purpose.

In addition to the above, we will obtain necessary approvals / licenses / registrations as may be applicable from the concerned authorities at various stages of implementation for the proposed expansion project.



GEMINI ENGI-FAB LIMITED

SECTION VII - OTHER REGULATORY AND STATUTORY DISCLOSURES AUTHORITY FOR THE ISSUE

The present Initial Public Issue of Equity Shares has been authorized by the Board of Directors of our Company at their meeting held on October 1, 2010 and was approved by the Shareholders of the Company by passing Resolution at the Extraordinary General Meetings held on October 4, 2010 in accordance with the provisions of Section 81(1A) of the Companies Act, 1956.

PROHIBITION BY SEBI

There is no prohibition on our Company, Promoters, Promoters Group, Directors, Group Companies for accessing the Capital Market for any reason by the Board or any other Authorities.

CONFIRMATION

None of our Directors are associated with the Securities Market.

ELIGIBILITY FOR THE ISSUE

Our Company is an unlisted Company and this Issue is being made in terms of Regulation 26(1) of SEBI (ICDR) Regulations, 2009 wherein:

Our Company has net tangible assets of at least Rs. 3.00 crores in each of the preceding 3 full years (of 12 months each), of which not more than 50% is held in monetary assets;

Our Company has a track record of distributable profits in terms of Section 205 of the Companies Act, 1956, for at least three (3) out of immediately preceding five (5) years;

Our Company has a net worth of at least Rs. 1.00 crore in each of the preceding 3 full years (of 12 months each); and

Our Company shall ensure that the aggregate of the proposed issue and all previous issues made in the same financial year in terms of size (i.e. public issue by way of offer document + firm allotment + promoters' contribution through the offer document) does not exceed five (5) times our pre-issue net worth as per the audited balance sheet of the last financial year.

Our Company has not changed its name in the last one year.

(Consequent to conversion of the Company from Private Limited to Public Limited, The name of the Company was changed to "Gemini Engi-Fab Limited" from "Gemini Engi-Fab Private Limited" and a fresh Certificate of Incorporation for Change in Name was obtained on January 9, 2007)

Further, our post-issue face value capital shall be Rs. 2170.53 Lakhs and our Company undertakes that the number of allottees in the proposed Issue shall be at least 1,000; otherwise, we shall forthwith refund the entire subscription amount received. In case of delay, if any, in refund, we shall pay interest on the application money at the rate of 15% per annum for the period of delay.

(Rs. In Lakhs)

Particulars	March 31, 2006	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	September 30, 2010
Net Tangible Assets	417.92	774.15	1837.34	2483.47	3038.11	3117.22
Distributable Profits	38.29	122.75	384.55	(53.95)	301.25	182.41
Net worth	67.87	348.25	1219.35	1322.05	1623.30	1799.06
Monetary Assets	120.37	300.34	271.05	393.76	390.29	462.02
Monetary Assets/Net Tangible Assets (%)	28.80%	38.80%	14.75%	15.86%	12.85%	14.82%

DISCLOSURE

Neither the Company nor its Promoters, Group Companies, Relatives (as defined under Companies Act, 1956) of Promoters and Group Companies are identified as willful defaulters by the Reserve Bank of India or any other Authority.

SEBI DISCLAIMER CLAUSE

AS REQUIRED COPY OF THIS DRAFT PROSPECTUS HAS BEEN SUBMITTED TO SEBI "IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, HEM SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER HEM SECURITIES LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 04, 2010 WHICH READS AS FOLLOWS:



GEMINI ENGI-FAB LIMITED

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE DRAFT PROSPECTUS PERTAINING TO THE SAID ISSUE;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:
 - a. THE DRAFT PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
 - b. ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - c. THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE (AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SEBI (ICDR) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS).
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.
4. UNDERWRITING BEING OPTIONAL, THE ISSUE IS NOT UNDERWRITTEN.
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SEBI (ICDR) REGULATIONS, 2009 WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE CLAUSE HAVE BEEN MADE IN THE DRAFT PROSPECTUS.
7. WE UNDERTAKE THAT SUB REGULATION (4) OF REGULATION (32) AND CLAUSE (C) AND (D) OF SUB REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL

AND DISCLOSURE REQUIREMENTS) REGULATIONS 2009 SHALL BE COMPLIED WITH. SINCE THE PRE ISSUE HOLDING OF THE PROMOTERS/ PROMOTERS' GROUP IS 100% AND WOULD BE 58.31% OF THE OF THE PROPOSED POST ISSUE CAPITAL RESPECTIVELY, THE REQUIREMENT OF ENSURING THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE IS NOT APPLICABLE.

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEY SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT PROSPECTUS/ LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER COMPANY SPECIFICALLY CONTAINS THIS CONDITION.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE – NOT APPLICABLE. AS THE ISSUE SIZE IS MORE THAN RS 10 CRORES, AS PER SECTION 68 B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT MODE ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT PROSPECTUS:
 - a. AN UNDERTAKING FROM THE ISSUER COMPANY THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE COMPANY AND
 - b. AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.



GEMINI ENGI-FAB LIMITED

- 14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE ,ETC.**
- 15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**

The filing of the offer document does not, however, absolve the Company from any liabilities under Section 63 or section 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 Lead Merchant Banker any irregularities or lapses in offer document."

All legal requirements pertaining to the issue will be complied with at the time of registration of the Draft Prospectus with the ROC in terms of Sections 60 and 60B of the Companies Act, 1956.

DISCLAIMER STATEMENT FROM THE COMPANY AND THE LEAD MANAGER

Our Company, its Directors and the Lead Manager accepts no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisement or any other material issued by or at instance of the Company and that anyone placing reliance on any other source of information, including our website www.geminief.com, would be doing so at his or her own risk.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the Lead Manager viz. Hem Securities Limited and the Company dated October 05, 2010

All information shall be made available by the Lead Manager and the Company to the public and investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever including road show presentations, research or sales reports or at collection centers or elsewhere.

CAUTION

The Issuer Company and the Lead Manager accepts no responsibility for the statements made otherwise than in this Draft Prospectus or in the advertisement or in any other material issued by or at the instance of the Company and the Lead Manager and any one placing reliance on any other source of information would be doing so at his/her/their own risk.

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India (including Indian nationals resident in India), who are majors, Hindu Undivided Families, Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian Financial Institutions,

Commercial Banks, Regional Rural Banks, Co-operative Banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other Trust law and who are authorized under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to NRIs on non-repatriable basis and FIIs registered with SEBI. This Draft Prospectus does not, however, constitute an Issue 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 issue or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes into is required to inform himself about and to observe any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Prospectus has been filed with SEBI for observations and SEBI has given its observations and the final Prospectus has been filed with ROC as per the provisions of the Act. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company i.e. Gemini Engi-Fab Limited since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

DISCLAIMER CLAUSE OF DESIGNATED STOCK EXCHANGE - BSE LIMITED, MUMBAI

As required, a copy of this Draft Prospectus has been submitted to Bombay Stock Exchange Ltd., to use BSE's name in this Draft Prospectus as one of the stock exchanges on which this Company's securities are proposed to be listed. BSE has given vide its Letter No. [●] dated [●] permission to our Company to use BSE's name in this Draft Prospectus as the stock exchange on which our further securities are proposed to be listed. The BSE has scrutinized this Draft Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. BSE does not in any manner:

- i. Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus;
- ii. warrant that our Company's securities will be listed or will continue to be listed on the respective exchanges;
- iii. take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of our Company; and it should not for any reason be deemed or construed that this Draft 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 for any other reason whatsoever.



GEMINI ENGI-FAB LIMITED

DISCLAIMER CLAUSE OF THE NSE

As required, a copy of this Draft Prospectus has been submitted to the NSE. The Disclaimer Clause as intimated by the NSE to us, post scrutiny of this Draft Prospectus, shall be included in the Prospectus prior to RoC filing.

DISCLAIMER CLAUSE OF IPO GRADING AGENCY- CARE LIMITED

CARE IPO grading is a one-time assessment and the analysis draws heavily from the information provided by the Company as well as information obtained from sources believed by CARE to be accurate and reliable. However, CARE does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE's IPO Grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit.

FUNCTION OR FORENSIC EXERCISE TO DETECT FRAUD

It is also not a forecast of the future market performance and the earnings prospects of the Company; also it does not indicate compliance/violation of various statutory requirements. CARE shall not be liable for any losses incurred by users from any use of the IPO grading.

FILING

A copy of the Draft Prospectus has been filed with the Corporation Finance Department

- **Securities Exchange Board of India**

Plot No. C4/A, G - Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051

Also the Draft Prospectus is filed with the designated Stock Exchanges:

- **Bombay Stock Exchange Limited**

P.J. Towers, Dalal Street,
Fort, Mumbai – 400 001

- **National Stock Exchange of India Limited**

Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E)
Mumbai - 400 051.

A copy of the Draft Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered to the Registrar of Companies – Everest, 100, Marine Drive, Mumbai – 400 002, Maharashtra, India.

LISTING

The Equity Shares to be issued through this Prospectus are proposed to be listed on BSE and NSE and listing application will be made to BSE and NSE for permission to list the Equity Shares and for an official quotation of the Equity Shares of our Company. Bombay Stock Exchange Ltd. will be the Designated Stock Exchange.

In case the permission for listing of the Equity Shares and for official quotation of the Equity Shares is not granted by the above mentioned Stock Exchanges, the Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of this Draft Prospectus and if such money is not repaid within eight days after the day from which our Company becomes liable to repay it, then our Company and every director of our Company who is an officer in default shall, on and from the expiry of 8 days, be jointly and severally liable to repay the money with interest prescribed under Section 73 of the Companies Act 1956.

Gemini Engi-Fab Limited has received In-Principle Approval from

BSE vide its Letter No. [●] dated [●]

NSE vide its Letter No. [●] dated [●]

The Company with the assistance of the Lead Manager shall ensure that all steps for the completion of necessary requirements for listing and commencement of trading at the Stock Exchanges mentioned above are taken within seven days of finalization of the Basis of Allotment for the Issue.

CONSENTS

Consents in writing of the Board of Directors of our Company, Statutory Auditors of the Company, Company Secretary / Compliance Officer of the Company, Lead Manager to the Issue, Registrar to the Issue, Banker's to the Company, Legal Advisor to the Company to act in their respective capacities obtained and filed along with a copy of the Draft Prospectus with the Registrar of the Companies under Section 10 of the Companies Act, 1956 and such consents will not be withdrawn upto the time of delivery of the Draft Prospectus for registration.

The Company has not appointed any Escrow Banker for the Issue. The name and their consent will be taken in due course as and when the Company will appoint them.

EXPERT OPINION

Our Company has not taken any expert's opinion for its proposed Project.



GEMINI ENGI-FAB LIMITED

PUBLIC ISSUE EXPENSES

The expenses of this Issue which includes fees payable to the Lead Manager to the Issue, Registrars to the Issue, Legal Advisors to our Company, Auditors, Escrow Banker's charges, Printing and Stationery, Advertisement Expenses and all other incidental and miscellaneous expenses for listing of the Equity Shares on the Stock Exchanges. The total estimated expenses are Rs. 363.84 Lakhs which is 6.22 % of the Issue size. The details of the expenses are as given below:

Sr. No	Description	Rs. In lakhs	% of Total Issue Expenses	% of Total Issue Size
1	Lead Manager's Fees	58.50	16.08	1.00
2	Registrar's Fees*	[•]		
4	Bankers to the Issue *	[•]		
5	IPO Grading Expenses*	[•]		
6	Printing, Stationary, Postage and dispatch*	[•]		
7	Issue advertisement and Publicity expenses*	[•]		
8	Brokerage and Selling Commissions*	[•]		
9	Other Expenses including (Registrar Fee, Legal Fee, Listing Fee, SEBI, BSE, NSDL CDSL etc.)*	[•]		
10	Contingencies*	[•]		
	Total	363.84	100.00	6.22
*Will be incorporated at the time of filing the Prospectus				

The expenses for this Issue includes issue management fees, selling commission, distribution expenses, legal fees, fees to advisors, stationery costs, advertising expenses and listing fees payable to the Stock Exchanges, among others. The total expenses for this Issue are estimated at Rs. 363.84 Lakhs and will be met out of the proceeds of the present issue. The details of fee payable are estimated as follows:

FEES PAYABLE TO THE LEAD MANAGER

The total fees payable to the Lead Manager including for the Issue will be as per the Memorandum of Understanding executed between the Company and the Lead Manager dated October 05, 2010 of which is available for inspection at the Registered Office of the Company.

FEES PAYABLE TO THE REGISTRAR

The total fees payable to the Registrar to the Issue will be as per the Memorandum of Understanding executed between the Company and the Registrar to the Public Issue dated October 05, 2010 copy of which is available for inspection at the Registered Office of the Company. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund order(s) or allotment advice by registered post or speed post or under certificate of posting.

FEES PAYABLE TO THE IPO GRADING AGENCY

The total fees payable to the IPO Grading Agency for the Issue is as per the Engagement Letter between the Company and the IPO Grading Agency copy of which is available for inspection at the Registered Office of the Company.

UNDERWRITING COMMISSION

The present issue is not being underwritten and hence no underwriting commission is payable.

BROKERAGE AND SELLING COMMISSION

The Brokerage for the Issue will be paid not more than [●] % of the Issue Price of the Equity Shares by Gemini Engi-Fab Limited on the basis of the allotments made against the applications bearing the stamp of a member of any Recognized Stock Exchange in India in the Broker Column. Brokerage at the same rate will also be payable to the Bankers to the Issue in respect of the allotments made against applications procured by them provided the respective forms of application bear their respective stamp in the Broker Column. In case of tampering or over- stamping of Brokers / Agents codes on the application form, the Company's decision to pay brokerage in this respect will be final and no further correspondence will be entertained in this matter. The Company, at its sole discretion, may consider payment of additional incentive in the form of kitty or otherwise to the performing brokers on such terms and mode as may be decided by the Company.

OTHERS

The total fees payable to the Legal Advisor, Auditor and Tax Auditor will be as per their respective engagement letters.

PREVIOUS ISSUE DETAILS

Our Company has not made any Issue Equity Share to the public prior to the present Public Issue, except that the Company had finalized public Issue in the Financial Year 2008-09, which was shelved before opening to the public.

COMMISSION AND BROKERAGE ON PREVIOUS ISSUES

No sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the equity shares since its inception.

ISSUE OTHERWISE THAN FOR CASH

The Company has not issued any shares for consideration other than cash.

Notes:

- Our Company has issued 3,294,075 equity shares on November 1, 2007 and 6,352,645 equity shares on October 30, 2010 as Bonus Issue in the ratio of 3:2 and 1:1 respectively through capitalization of Reserves during the last 5 years.



GEMINI ENGI-FAB LIMITED

PROMISE VIS-À-VIS PERFORMANCE

Our Company has not made any issue of equity shares to the public prior to the present Public Issue.

COMPANIES UNDER THE SAME MANAGEMENT

There are no listed companies under the same management within the meaning of Section 370(1B) of the Act.

OUTSTANDING DEBENTURES, BONDS AND PREFERENCE SHARES

As of date, our Company does not have any outstanding Debentures, Bonds or Preference shares.

STOCK MARKET DATA FOR SHARES OF OUR COMPANY

The equity shares of our Company are not listed on any stock exchange.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The agreement between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the 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 centre where the application was submitted.

DISPOSAL OF INVESTORS' GRIEVANCES

Our Company or the Registrar to the Issue shall redress routine investor grievances within seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

The Board of Directors of Gemini Engi-Fab Limited has constituted a Shareholder/Investor Grievance Committee which, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with securities transfers and other processes.

The Committee also looks into redressal of shareholders' complaints related to transfer of shares, non-receipt of declared dividend, etc. The Committee oversees performance of the R&TA and recommends measures for overall improvement in the quality of investor services. The summary statement of investor related transactions and details are also considered by the Board of Directors of Gemini Engi-Fab Limited.

Our Company assures that the Board of Directors in respect of the complaints, if any; to be received shall adhere to the following schedule:

Sr. No.	Nature of Complaints	Time Table for Redressal
1.	Non-receipt of Refund	Within 7 working days of receipt of complaint subject to production of satisfactory evidence(s)
2.	Non-receipt of Share Certificate / Demat Credit	Within 7 working days of receipt of complaint subject to production of satisfactory evidence(s)
3.	Any other complaint w.r.t. the Issue	Within 7 working days of receipt of complaint with all relevant papers / evidence(s)

As of October 30, 2010, there were no investor complaints pending with/against Gemini Engi-Fab Limited.

Our Company has appointed Ms. Pooja Karia, Company Secretary and Compliance Officer of our Company, as Compliance Officer who would directly deal with SEBI with respect to implementation /compliance of various laws, regulations and other directives issued by SEBI and matters related to investor Complaints. The investor may contact the Compliance Officer in case of any Pre Issue/Post Issue related problems. The Compliance Officer can be contacted at the following address:

GEMINI ENGI-FAB LIMITED

501, Palm Spring, Link Road,
Next to 'D' Mart, Malad (West),
Mumbai-400064, India
Tel. No.: +91-22-28808822
Fax No: +91-22-28808998
Email: investor@geminief.com
Website: www.geminief.com

CHANGES IN AUDITORS

M/s. Nilesh J Panchal & Co. Chartered Accountants were occupying the office of Auditor of the Company, as per the provisions of section 224 of the Companies Act 1956. In the Annual General Meeting of the company held on for the financial year ended March 31, 2008-09, M/S Niles J Panchal & Co. Chartered Accountants were re-appointed as Auditors of the Company from the conclusion of the said Annual General Meeting till the conclusion of next Annual General Meeting for the Financial year 2009-10. In the Board Meeting of the Company held on May 24, 2010, M/s Dass Maulik Mahendra K. Agrawala & Co., Chartered Accountants (Firm Regn. No. 302014E), Mumbai, were appointed as Joint Statutory Auditors of the Company. In the Extra-Ordinary General Meeting of the Company held on August 12, 2010, the share holders of the Company approved the appointment M/s Dass Maulik Mahendra K. Agrawala & Co., Chartered Accountants. However, on the Special Notice received by the Company, proposing to appoint M/s Dass Maulik Mahendra K. Agrawala & Co., Chartered Accountants, as Auditors of the Company, who were not the retiring Auditors of the Company and expressly mentioning not to appoint M/s Nilesh J. Panchal & Co., Chartered Accountants (Firm Regn. No. 118298W), as Statutory Auditor from the conclusion of the Annual General



GEMINI ENGI-FAB LIMITED

Meeting for the financial year 2009-10 up till the conclusion of next Annual General Meeting as per the provision of section 225 of the Companies Act, 1956.

In the Annual General Meeting of the Company held on September 30, 2010, M/s Dass Maulik Mahendra K. Agrawala & Co., Chartered Accountants were appointed as Auditors of the Company by the Shareholders to hold such office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and a resolution was passed with regard to the Special Notice given to the all Shareholders of the Company and specifically resolving not to appoint M/s Nilesh J. Panchal & Co., Chartered Accountants, in the said Annual General Meeting as Auditors of the Company pursuant to the provision of section 225 of Companies Act, 1956.

CAPITALIZATION OF RESERVES/PROFITS (DURING THE LAST FIVE YEARS)

Our Company has issued 3,294,075 equity shares on November 1, 2007 as Bonus in the ratio of 3:2 and further Bonus Issue of 6,352,645 shares on October 30, 2010 in the ratio of 1:1 through capitalization of Reserves during the last 5 years.

REVALUATION OF ASSETS (DURING THE LAST FIVE YEARS)

Our Company has not revalued its assets during the last five years.

SECTION VIII – ISSUE RELATED INFORMATION

8.1 TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, our Memorandum and Articles of Association, the terms of this Draft Prospectus, Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note and other Terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, ROC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

RANKING OF EQUITY SHARES

The Equity Shares being offered shall be subject to the provisions of our Memorandum and Articles of Association and shall rank pari passu in all respects with the existing Equity Shares including rights in respect of dividend. The allottees will be entitled to dividend or any other corporate benefits, if any, declared by our Company after the date of allotment.

MODE OF PAYMENT OF DIVIDEND

We shall pay dividend to our shareholders as per the provisions of the Companies Act, 1956.

FACE VALUE AND ISSUE PRICE

The Equity Shares with a face value of Rs. 10 each are being offered in terms of this Draft Prospectus at a total price of Rs. 65 per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares.

RIGHTS OF THE EQUITY SHAREHOLDER

Subject to applicable laws, the equity shareholders shall have the following rights:

1. Right to receive dividend, if declared;
2. Right to attend general meetings and exercise voting powers, unless prohibited by law;
3. Right to vote on a poll either in person or by proxy;
4. Right to receive offers for rights shares and be allotted bonus shares, if announced;
5. Right to receive surplus on liquidation;
6. Right of free transferability of shares; and
7. Such other rights, as may be available to a shareholder of a listed public Company under the Companies Act and our Memorandum and Articles of Association.



GEMINI ENGI-FAB LIMITED

For a detailed description of the main provisions of our Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, see section titled “Main Provisions of Articles of Association of the Company” on Page No.258 of this Draft Prospectus.

MARKET LOT AND TRADING LOT

In terms of existing SEBI Regulations, the trading in the Equity Shares 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. In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialized form. Allotment through this Issue will be done only in electronic form in multiples of one Equity Share subject to Minimum Allotment of 100 Equity Shares.

NOMINATION FACILITY TO THE INVESTOR

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidder(s), may nominate any one person in whom, in the event of 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 the registered office of our Company or at the registrar and transfer agent of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by our Board, elect either:

- A. To register himself or herself as the holder of the Equity Shares; or
- B. To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with, within a period of 90 days, our 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 the respective Depository Participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective Depository Participant.

MINIMUM SUBSCRIPTION

"If our Company does not receive the minimum subscription of ninety per cent of the offer through offer document, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under section 73 of the Companies Act, 1956."

ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

Since the market lot for Equity Shares of the Company will be one, no arrangements for disposal of odd lots are required.

RESTRICTION ON TRANSFER OF SHARES

There are no restrictions on transfer and transmission of shares / debentures and on their consolidation and splitting except as provided in our Articles. Please see section "Main Provisions of Articles of Association" on Page No 258 of this Draft Prospectus.

WITHDRAWAL OF THE ISSUE

The Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

- (i) The final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment and
- (ii) The final ROC approval of the Prospectus after it is filed with the RoC. If the Company does not receive minimum subscription of 90% of the Net Issue size, the Company shall forthwith refund the entire subscription amount received. In case, the Company receives minimum subscription but wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi).

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with competent courts/authorities in Mumbai, Maharashtra India.



GEMINI ENGI-FAB LIMITED

8.2 ISSUE PROCEDURE

FIXED PRICE ISSUE PROCEDURE

The Issue is being made under Regulation 26(1) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process wherein there is no Quota fixed for any of the different investor categories.

Applicants are required to submit their Applications to the Selected Branches/Offices of the Escrow Bankers to the Issue who shall duly submit to them the Registrar of the Issue. In case of QIB Applicants, the Company in consultation with the LM may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that the Equity Shares will be allotted to all successful Applicants only in dematerialized form. Applicants will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchange. However, the investors / shareholders may get the specified securities dematerialized subsequent to allotment.

Application Form

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Prospectus. Upon completing and submitting the Application Form to the Bankers, the Applicant is deemed to have authorized our Company to make the necessary changes in the Draft Prospectus and the Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Applicant.

ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA applicants. Upon completing and submitting the Application Form for ASBA Applicants to the SCSB, the ASBA Applicant is deemed to have authorized our Company to make the necessary changes in the Draft Prospectus and the ASBA as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Applicant.

The prescribed color of the Application Form for various categories is as follows:

Category	Color
Indian Public/NRI's applying on a non-repatriation basis	White
Non- Residents including eligible NRIs, FVCIs, FIIs, etc. Applying on a repatriation basis	Blue
ASBA Investors	Pink

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process.

Who can apply?

1. Indian nationals resident in India who are not minors in single or joint names (not more than three);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs would be considered at par with those from individuals;
3. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than eligible NRIs are not eligible to participate in this issue;
6. Indian Financial Institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations, as applicable);
7. FIIs registered with SEBI;
8. Venture Capital Funds registered with SEBI;
9. State Industrial Development Corporations;
10. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorized under their constitution to hold and invest in equity shares;
11. Scientific and/or industrial research organizations authorized to invest in equity shares;
12. Insurance Companies registered with Insurance Regulatory and Development Authority;
13. Provident Funds with minimum corpus of Rs. 250 million and who are authorized under their constitution to hold and invest in equity shares;
14. Pension Funds with minimum corpus of Rs. 250 million and who are authorized under their constitution to hold and invest in equity shares;



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15. Foreign Venture Capital Investors registered with SEBI;
16. Multilateral and bilateral development financial institutions;
17. National Investment Fund; and
18. Permanent and Regular Employees.

Applications not to be made by:

- a. Minors
- b. Partnership firms or their nominations
- c. Foreign Nationals (except NRIs)
- d. Overseas Corporate Bodies

Participation by Associates of LM

The LM shall not be allowed to subscribe to this Issue in any manner. However, associates and affiliates of the LM may subscribe to or purchase Equity Shares in the Issue, where the allocation is on a proportionate basis.

Availability of Prospectus and Application Forms

The Memorandum Form 2A containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue, Registrar to the Issue and the collection Centers of the Bankers to the Issue, as mentioned in the Application Form.

Option to Subscribe in the Issue

- a. Investors will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities dematerialized subsequent to allotment.
- b. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

Application by Indian Public including eligible NRIs applying on Non-Repatriation

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and NOT in the names of Minors, Foreign Nationals, Non-Residents (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, partnership firms or their nominees. In case of HUF's application shall be made by the Karta of the HUF.

An applicant in the Net Public Category cannot make an application for that number of securities exceeding the number of securities offered to the public.

Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid-up share capital carrying voting rights.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

Applications by Eligible NRIs/FII's on Repatriation Basis

Application Forms have been made available for Eligible NRIs at our registered Office.

Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to the companies vide Notification No. FEMA/20/2000-RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. The Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis.

Allotment of Equity Shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the



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income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

As per the current regulations, the following restrictions are applicable for Investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue issued capital (i.e. 10% of 21,705,290 Equity Shares). In respect of an FII investing in our equity shares on behalf of its sub accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual.

In accordance with the foreign investment limits, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. With the approval of the board and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of the Company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII may issue, deal or hold, off shore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "Know Your Client" requirements. An FII 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.

In case of FIIs in NRI/FII Portion, number of Equity Shares applied shall not exceed issue size.

**In accordance with the SEBI Regulations, Non-Residents cannot subscribe to this Issue under the ASBA process
Applications by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors**

As per the current regulations, the following restrictions are applicable for SEBI Registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI.

Accordingly, whilst the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund, a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital Investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

MAXIMUM AND MINIMUM APPLICATION SIZE

a. For Retail Individual Applicants

The Application must be for a minimum of 100 Equity Shares and in multiples of 100 Equity Share thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 1, 00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs.1, 00,000.

b. For Other Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 100,000 and in multiples of 100 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 1,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

Applications under Power of Attorney

In case of Applications 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 of Association and Articles of Association and/ or bye laws must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.



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In case of Applications made pursuant to a power of attorney by FIs, 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 Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications 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 Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made by provident funds with minimum corpus of Rs. 25 crore (subject to applicable law) and pension funds with minimum corpus of Rs. 25 crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The Company in its absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that the Company and the LM may deem fit.

Information for the Applicants:

- a) Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
- b) The LM will circulate copies of the Prospectus along with the Application Form to potential investors.
- c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our registered office or from the corporate office of the LM.
- d) Applicants who are interested in subscribing for the Equity Shares should approach the LM or their authorized agent(s) to register their Applications.
- e) Applications made in the Name of Minors and/or their nominees shall not be accepted.
- f) Applicants are requested to mention the application form number on the reverse of the instrument to avoid misuse of instrument submitted along with the application for shares. Applicants are advised in their own interest, to indicate the name of the bank and the savings or current a/c no in the application form. In case of refund, the refund order will indicate these details after the name of the payee. The refund order will be sent directly to the payee's address.

Instructions for Completing the Application Form

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application Forms should bear the stamp of the LM. Application Forms, which do not bear the stamp of the LM, will be rejected.

Applicants residing at places where the designated branches of the Banker to the Issue are not located may submit/mail their applications at their sole risk along with Demand Draft payable at Mumbai only payable to "Gemini Engi-Fab Limited – Public Issue".

Applicant's Depository Account and Bank Details

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants sole risk and neither the LM or the Registrar or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form.

IT IS MANDATORY FOR ALL THE APPLICANTS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL APPLICANTS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE 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 APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs/ Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.



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BASIS OF ALLOTMENT

Allotment will be made in consultation with BSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over-subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis (i.e. Total number of Shares applied for into the inverse of the over-subscription ratio).
3. For applications where the proportionate allotment works out to less than 100 equity shares the allotment will be made as follows:
 - a. Each successful applicant shall be allotted 100 equity shares; and
 - b. The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 100 equity shares, the applicant would be allotted Shares by rounding off to the nearest integer subject to a minimum allotment of 100 equity shares.
5. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest integer, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, upto 110% of the size of the offer specified under the Capital Structure mentioned in this Draft Prospectus.
6. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below
 - a. A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.

- b. The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
- c. The unsubscribed portion of the net offer to any one of the categories specified in (i) or (ii) shall/may be made available for allocation to applicants in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 1,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE. The drawal of lots (where required) to finalize the basis of allotment shall be done in the presence of a public representative on the governing board of the BSE.

The Executive Director / Managing Director of the BSE, Designated Stock Exchange in addition to Lead Merchant Banker and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

REFUNDS:

In case of Applicants receiving refunds through electronic transfer of funds, delivery of refund orders/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Applicants sole risk and neither the Company, the Registrar, Escrow Collection Bank(s) nor the LM shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Applications are liable to be rejected.

The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/ CANs/ allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the Applicant). In such cases, the Registrar shall use Demographic Details as given in the Application Form instead of those obtained from the depositories.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/or commission. In case of Applicants who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Applicants so desire, will be credited to their NRE accounts, details of which should be



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furnished in the space provided for this purpose in the Application Form. The Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

TERMS OF PAYMENT/PAYMENT INSTRUCTIONS

The entire issue price of Rs.65 per share is payable on application. In case of allotment of lesser number of Equity shares than the number applied, The Company shall refund the excess amount paid on Application to the Applicants.

Payments should be made by cheque, or demand draft drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques/ bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ Stock Invest/ Money Orders/ Postal Orders will not be accepted.

A separate Cheque or Bank Draft should accompany each application form. Applicants should write the Share Application Number on the back of the Cheque/Draft. Outstation Cheques will not be accepted and applications accompanied by such cheques drawn on outstation banks are liable for rejection. Money Orders / Postal Notes will not be accepted.

Each Applicant shall draw a cheque or demand draft for the amount payable on the Application and/ or on allocation/ Allotment as per the following terms:

1. The payment instruments for payment into the Escrow Account should be drawn in favour of:
Indian Public including eligible NRIs applying on non-repatriation basis: [●] Bank A/c "Gemini Engi-Fab Limited-Public Issue".
2. In case of Application by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Applicant applying on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

3. In case of Applications 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.
4. Where an Applicant has been allocated a lesser number of Equity Shares than the Applicant has applied for, the excess amount, if any, paid on Application, after adjustment towards the balance amount payable by the Pay-In Date on the Equity Shares allocated will be refunded to the Applicant from the Refund Account.
5. On the Designated Date and no later than 15 days from the Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Applicants and also the excess amount paid on Application, if any, after adjusting for allocation / Allotment to the Applicants.

Payment by Stock Invest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

GENERAL INSTRUCTIONS

Do's:

1. Check if you are eligible to apply;
2. Read all the instructions carefully and complete the applicable Application Form;
3. Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
4. Ensure that the Applications are that submitted are forms bearing the stamp of the LM;
5. Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
6. Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
7. Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the 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 Application Form.

Don'ts:

1. Do not apply for lower than the minimum Application size;



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2. Do not apply at a Price Different from the Price Mentioned herein or in the Application Form
3. Do not apply on another Application Form after you have submitted an Application to the Bankers of the Issue.
4. Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
5. Do not send Application Forms by post; instead submit the same to the Selected Branches / Offices of the Banker to the Issue.
6. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

OTHER INSTRUCTIONS

Joint Applications in the case of Individuals

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Applications

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i) All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications
- ii) Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.

- iii) Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of “know your client” norms by the depositories.

The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

Permanent Account Number or PAN

Pursuant to the circular MRD/DoP/Circ-05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (“PAN”) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

Unique Identification Number (“UIN”)

With effect from July 1, 2005, SEBI had decided to suspend all fresh registrations for obtaining UIN and the requirement to contain/quote UIN under the SEBI MAPIN Regulations/Circulars vide its circular MAPIN/Cir-13/2005. However, in a recent press release dated December 30, 2005, SEBI has approved certain policy decisions and has now decided to resume registrations for obtaining UINs in a phased manner. The press release states that the cut off limit for obtaining UIN has been raised from the existing limit of trade order value of Rs. 100,000 to Rs. 500,000 or more. The limit will be reduced progressively. For trade order value of less than Rs.500,000 an option will be available to investors to obtain either the PAN or UIN. These changes are, however, not effective as of the date of this Draft Prospectus and SEBI has stated in the press release that the changes will be implemented only after necessary amendments are made to the SEBI MAPIN Regulations. On June 25, 2007, SEBI has decided to discontinue with the requirement of UIN under the SEBI MAPIN Regulation.



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RIGHT TO REJECT APPLICATIONS

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

Grounds for Rejections

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- Age of First Applicant not given;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of The Issue;
- Applications for number of Equity Shares which are not in multiples of 200;
- Category not ticked;
- Multiple Applications as defined in this Draft Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of sole and/ or joint Applicant is missing;
- Application Forms does not have the stamp of the LM;
- Application Forms does not have Applicant's depository account details;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;

- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications where clear funds are not available in the Escrow Account as per the final certificate from the Escrow Collection Bank(s);
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulations or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed by the sole/ joint Applicants;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of Rs. 1,00,000, uploaded after 5.00 pm on the Issue Closing Date;

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 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."**



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Signing of Underwriting Agreement and RoC Filing

The Issue is not underwritten and therefore the Company has not signed any underwriting agreement. The Company will issue a statutory advertisement 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 date of Prospectus and the date of Prospectus will be included in such statutory advertisement.

Designated Date and Allotment of Equity Shares

The Company will ensure that the Allotment of Equity Shares is done within 15 days of the Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Applicants depository account. Allotment of the Equity Shares to the allottees shall be within two working days of the date of Allotment

In accordance with the SEBI Regulations, Equity Shares will be issued, and Allotment shall be made only in the dematerialized form to the allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

PAYMENT OF REFUND

Applicants must note that on the basis of name of the Applicants, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Application Form, the Registrar will obtain, from the Depositories, the Applicants' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Applicants' sole risk and neither the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the LM shall be liable to compensate the Applicants for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

Mode of making Refunds

The payment of refund, if any, would be done through various modes as given hereunder:

- 1) ECS (Electronic Clearing System)** – Payment of refund would be done through ECS for applicants having an account at any of the centers where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of such centers, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS.
- 2) Direct Credit** – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.
- 3) RTGS (Real Time Gross Settlement)** – Applicants having a bank account at any of the centers where such facility has been made available and whose refund amount exceeds Rs. 10.00 lakhs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant
- 4) NEFT (National Electronic Fund Transfer)** – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.
- 5)** For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be 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 Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Applicants.



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Letters of Allotment or Refund Orders

The Company shall give credit to the beneficiary account with depository participants within two working days from the date of the finalization of basis of allocation. Applicants residing at 68 centers where clearing houses are managed by the RBI and other banks will get refunds through ECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit & RTGS.

The 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 at the sole or First Applicant’s sole risk within 15 days of the Issue Closing Date.

Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of closure of Issue.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by us, as Refund Banker and payable at par at places where applications are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centers will be payable by the Applicants.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, refund orders (except for Applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Issue Closing Date. A suitable communication shall be sent to the Applicants receiving refunds through this mode within 15 days of Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at BSE where the Equity Shares are proposed to be listed are taken within seven working days of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, the Company further undertakes that:

- 1) Allotment of Equity Shares shall be made only in dematerialized form within 15 (fifteen) days of the Issue Closing Date;
- 2) Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 (fifteen) days of the Issue Closing Date would be ensured; and
- 3) The Company shall pay interest at 15% p.a. for any delay beyond the 15 (fifteen)-days time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/ or demat credits are not made to investors within the 15 (fifteen)-days 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 Regulations.

UNDERTAKINGS BY OUR COMPANY

The Company undertakes the following:

1. That the complaints received in respect of this Issue shall be attended to by us expeditiously;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at 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 funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer;
4. That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. That the certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within specified time; and
6. That no further issue of Equity Shares shall be made till the Equity Shares offered through this Draft Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.
7. The Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.



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UTILIZATION OF ISSUE PROCEEDS

Our Board certifies that:

1. All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub-section(3) of Section 73 of the Companies Act;
2. Details of all monies utilized out of the Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized;
3. Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested;

The Board of Directors further certifies that:

- (a) The utilization of monies received under Promoter Contribution and the Employee Reservation Portion shall be disclosed under an appropriate head in the balance sheet of the Company, indicating the purpose for which such monies have been utilized; and
- (b) The details of all unutilized monies out of the funds received under Promoter Contribution and the Reservation Portion shall be disclosed under a separate head in the balance sheet of the Company, indicating the form in which such unutilized monies have been invested.

WITHDRAWAL OF THE ISSUE

Our Company, in consultation with the LM reserves the right not to proceed with the Issue at anytime, including after the Issue Closing Date but before the Board meeting for Allotment, without assigning any reason.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment.

In terms of the SEBI Regulations, QIB Applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a de-materialized form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among the Company, the respective Depositories and the Registrar to the Issue:

(a) Agreement dated January 14, 2008 between NSDL, the Company and the Registrar to the Issue;

(b) Agreement dated January 17, 2008 between CDSL, the Company and the Registrar to the Issue

All Applicants can seek allotment only in dematerialized mode. Applications from any Applicant without relevant details of his or her depository account are liable to be rejected.

An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.

Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.

Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.

The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis-à-vis those with his or her Depository Participant.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.

The trading of the Equity Shares of the Company would be in dematerialized form only for all investors in the demat segment of the respective Stock Exchanges.

COMMUNICATIONS

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and cheque or draft number and issuing bank thereof and a copy of the acknowledgement slip.



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

ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the LM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this Section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the ASBA Application Form, please refer the above-mentioned SEBI link.

ASBA PROCESS

A Resident Retail Individual Investor shall submit his Application through an ASBA Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant ("**ASBA Account**") is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA

Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account.

In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the LM.

ASBA APPLICATION FORM

ASBA Applicants shall use the ASBA Application Form bearing the code of the LM and/or the Designated Branch of SCSB, as the case may be, for the purpose of making an Application in terms of the Draft Prospectus.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the ASBA Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Application Form to the Designated Branch of the SCSB, the ASBA Applicant is deemed to have authorized our Company to make the necessary changes in the Draft Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Applicant.

The prescribed color of the ASBA Application Form shall be Pink.

Who can apply?

In accordance with the SEBI Regulations, only Resident Retail Individual Investor can submit their application through ASBA process to apply for the Equity Shares of our Company.

Maximum and Minimum Application Size for ASBA Applicants

The ASBA Application must be for a minimum of 100 Equity Shares and in multiples of 100 Equity Shares thereafter. The maximum ASBA Application cannot exceed 1500 Equity Shares in order to ensure that the total Application Amount blocked in respect of the ASBA Applicant does not exceed Rs. 1,00,000.

The ASBA Applicants shall apply only at the Issue Price.

Information for the ASBA Applicants:

- (a) The LM shall ensure that adequate arrangements are made to circulate copies of the Prospectus and ASBA Application Form to the SCSBs and the SCSBs will then make available such copies to investors applying under the ASBA process. Additionally, the LM shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the ASBA Application Form. SCSBs shall make the same available on their websites.



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- (b) ASBA Applicants, under the ASBA process, who would like to obtain the Draft Prospectus and/or the ASBA Application Form can obtain the same from the Designated Branches of the SCSBs or the LM. ASBA Applicants can also obtain a copy of the abridged prospectus and/or the ASBA Application Form in electronic form on the websites of the SCSBs
- (c) The Applications should be submitted on the prescribed ASBA Application Form if applied in physical mode. SCSBs may provide the electronic mode of Applying either through an internet enabled Application and banking
- (d) facility or such other secured, electronically enabled mechanism for applying and blocking funds in the accounts of the respective eligible investors
- (e) ASBA Application Forms should bear the code of the LM and/or Designated Branch of the SCSB.
- (f) ASBA Applicants shall correctly mention the bank account number in the ASBA Application Form and ensure that funds equal to the Application Amount are available in the bank account maintained with the SCSB before submitting the ASBA Application Form to the respective Designated Branch.
- (g) If the ASBA Account holder is different from the ASBA Applicant, the ASBA Application Form should be signed by the account holder as provided in the ASBA Application Form.
- (h) ASBA Applicants shall correctly mention their DP ID and Client ID in the ASBA Application Form. For the purpose of evaluating the validity of Applications, the demographic details of ASBA Applicants shall be derived from the DP ID and Client ID mentioned in the ASBA Application Form.

Mode of Payment

Upon submission of an ASBA Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any

against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the ASBA Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

Advertisement regarding Issue Price and Prospectus

After filing of the Prospectus with the RoC, a statutory advertisement will be issued by our Company in a widely circulated English national newspaper, Hindi national newspaper of wide circulation and a Marathi newspaper with wide circulation at the place where the registered office of the issuer is situated.

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 date of Prospectus and the date of Prospectus will be included in such statutory advertisement.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

Allotment of Equity Shares

Our Company will ensure that the Allotment of Equity Shares is done within 15 days of the Issue Closing Date. After the funds are transferred from the bank account of the ASBA Applicants to the ASBA Public Issue Account on the Designated Date, to the extent applicable, our Company would ensure the credit of the Allotted Equity Shares to the depository accounts of all successful ASBA Applicants' within two working days from the date of Allotment.

As per the SEBI Regulations, Equity Shares will be issued, transferred and allotted only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares so Allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.



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GENERAL INSTRUCTIONS

Do's:

1. Check if you are a Resident Retail Individual Investor and eligible to Apply under ASBA process.
2. Ensure that you use the ASBA Application Form specified for the purposes of ASBA process.
3. Read all the instructions carefully and complete the ASBA Application Form (if the Application is submitted in physical mode, the prescribed ASBA Application Form is pink in color).
4. Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be allotted in dematerialized form only.
5. Ensure that your Application is submitted at a Designated Branch of an SCSB, with a branch of which the ASBA Applicant or a person whose bank account will be utilized by the ASBA Applicant for applying has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to the Company or Registrar or Lead Manager to the Issue.
6. Ensure that the ASBA Application Form is signed by the account holder in case the applicant is not the account holder.
7. Ensure that you have mentioned the correct bank account No. in the ASBA Application Form.
8. Ensure that you have funds equal to the number of Equity Shares Applied for at Issue Price available in the ASBA Account maintained with the SCSB before submitting the ASBA Application Form to the respective Designated Branch of the SCSB.
9. Ensure that you have correctly checked the authorization box in the ASBA Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Application Amount mentioned in the ASBA Application Form in your ASBA Account maintained with a branch of the concerned SCSB.
10. Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSB for the submission of your ASBA Application Form.
11. Ensure that you have mentioned your Permanent Account Number ("**PAN**") allotted under the I.T. Act.
12. Ensure that the name(s) and PAN given in the ASBA Application Form is exactly the same as the name(s) and PAN in which the beneficiary account is held with the Depository Participant. In case the ASBA Application 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 ASBA Application Form.
13. Ensure that the Demographic Details are updated, true and correct, in all respects.

Don'ts:

1. Do not submit an ASBA Application if you are not a Resident Retail Individual Investor.
2. Do not submit an ASBA Application if you are applying under any reserved category.
3. Do not revise your Application.
4. Do not Apply for lower than the minimum Application size.
5. Do not apply on another ASBA or Non-ASBA Application Form after you have submitted an Application to a Designated Branch of the SCSB.
6. Payment of Application Amounts in any mode other than blocked amounts in the bank accounts maintained by SCSBs, shall not be accepted under the ASBA process.
7. Do not send your physical ASBA Application Form by post; instead submit the same to a Designated Branch of the SCSB only.
8. Do not fill up the ASBA Application Form such that the Application amount against the number of the Equity shares applied for exceeds Rs.100,000.
9. Do not submit the GIR number instead of the PAN Number.
10. Do not instruct your respective banks to release the funds blocked in the bank account under the ASBA process.

Applications by ASBA Applicants must be:

- i. Made only in the prescribed ASBA Application Form, which is Pink in color if submitted in physical mode, or electronic mode.
- ii. In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- iii. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the ASBA Application Form.
- iv. The Applications must be for a minimum of 100 Equity Shares and in multiples of 100 Equity Shares thereafter subject to a maximum of 1500 Equity Shares such that the Application Amount does not exceed Rs. 100,000.
- v. 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.



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ASBA Applicant's Depository Account and Bank Details

ALL ASBA APPLICANTS SHALL RECEIVE THE EQUITY SHARES ALLOTTED TO THEM IN DEMATERIALISED FORM. ALL ASBA APPLICANTS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY ACCOUNT NUMBER AND PAN IN THE ASBA APPLICATION CUM APPLICATION FORM. ASBA APPLICANTS MUST ENSURE THAT THE NAME GIVEN IN THE ASBA APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD.

ADDITIONALLY, PAN IN THE ASBA APPLICATION FORM SHOULD BE EXACTLY THE SAME AS PROVIDED WHILE DEPOSITORY ACCOUNT. IN CASE THE ASBA 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 ASBA APPLICATION FORM.

ASBA Applicants should note that on the basis of name of the ASBA Applicants, PAN, Depository Participant's name and identification number and beneficiary account number provided by them in the ASBA Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the ASBA Applicants including address, ("Demographic Details"). Hence, ASBA Applicants should carefully fill in their Depository Account details in the ASBA Application Form.

As these Demographic Details would be used for all correspondence with the ASBA Applicants they are advised to update their Demographic Details as provided to their Depository Participants.

By signing the ASBA Application Form, the ASBA Applicant is deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

CAN/Allocation advice and letters intimating unblocking of bank account of the respective ASBA Applicant would be mailed at the address of the ASBA Applicant as per the Demographic Details received from the Depositories. ASBA Applicants may note that delivery of CAN/Allocation advice or letters intimating unblocking of bank account may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Note that any such delay shall be at the sole risk of the ASBA Applicants and neither of the Designated Branches of the SCSBs, or the Company shall be liable to compensate the ASBA Applicant for any losses caused to the ASBA Applicant due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, namely, names of the ASBA Applicants (including the order of names of joint holders), the DP ID and the beneficiary account number, then such Applications are liable to be rejected.

ASBA Applicants are required to ensure that the beneficiary account is activated, as Equity Shares will be allotted in dematerialized form only.

Payment mechanism under ASBA

The ASBA Applicants shall specify the bank account number in the ASBA Application Form and the SCSB shall block an amount equivalent to the application money in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/rejection of the ASBA Application or receipt of instructions from the Registrar to the Issue to unblock the Application Amount.

In the event of withdrawal or rejection of Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the Controlling Branch of the SCSB to unblock the application money in the relevant bank account. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

ASBA Applications under Power of Attorney

In case of ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Application Form. Failing this, our Company, in consultation with the LM, reserves the right to reject such ASBA Applications.

Our Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the ASBA Application Form, subject to such terms and conditions that we, in consultation with the LM may deem fit.

OTHER INSTRUCTIONS

Withdrawal of ASBA Applications

In case an ASBA Applicant wants to withdraw the ASBA Application Form during the Issue Period, the ASBA Applicant shall submit the withdrawal request to the SCSB, which shall do the necessary, including deletion of details of the withdrawn ASBA from the electronic Application system of the Stock Exchange and unblocking of funds in the relevant bank account.

In case an ASBA Applicant wants to withdraw the ASBA cum Application Form after the Issue Closing date, the ASBA Applicant shall submit the withdrawal request to the Registrar to the Issue before finalization of Basis of Allotment. The Registrar to the Issue shall delete the withdrawn Application from the Application file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB on finalization of the Basis of Allotment.



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Joint ASBA Applications

ASBA Applications may be made in single or joint names (not more than three). In case of joint ASBA Applications, all communication will be addressed to the first Applicant and will be dispatched to his address.

Multiple ASBA Applications

An ASBA Applicant should submit only one Application for the total number of Equity Shares desired. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are described in “Issue Procedure - Multiple Applications” on Page No. 235 of Draft Prospectus.

Permanent Account Number

For details, see “Permanent Account Number or PAN” on Page No. 204 of this Draft Prospectus.

RIGHT TO REJECT ASBA APPLICATIONS

The Designated Branches of the SCSBs shall have the right to reject ASBA Applications if at the time of blocking the Application Amount in the Applicant’s bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Applicant’s bank account maintained with the SCSB.

Subsequent to the acceptance of the ASBA Application by the SCSB, our Company would have a right to reject the ASBA Applications only on technical grounds.

Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Application Form does not match with one available in the depository’s database, such ASBA Application shall be rejected by the Registrar to the Issue.

Grounds for Technical Rejections

In addition to the grounds listed under “Grounds for Rejections” on Page No. 237 of this Draft Prospectus, applications under the ASBA process are liable to be rejected on, inter-alia, the following technical grounds:

1. Amount mentioned in the ASBA Application Form does not tally with the amount payable for the value of Equity Shares Applied for;
2. Applications at a price other than at the Fixed Issue Price;
3. Age of first Applicant not given;

4. Application made by categories of investors other than Resident Retail Individual Investors;
5. Applications by persons not competent to contract under the Indian Contract Act, 1872, including minors and persons of unsound mind;
6. Authorization for blocking funds in the ASBA Applicant's bank account not ticked or provided;
7. ASBA Applications accompanied by stock invest/ money order/ postal order/ cash;
8. Signature of sole and/or joint Applicants missing in case of ASBA Application Forms submitted in physical mode;
9. ASBA Application Form does not have the stamp of the SCSB and/or LM;
10. ASBA Application Form is not delivered, either in physical or electronic form, by the Applicant within the time prescribed and as per the instructions provided in the ASBA Application Form and the Prospectus;
11. Inadequate funds in the ASBA Account to block the Application Amount specified in the ASBA Application Form at the time of blocking such Application Amount in the ASBA Account; and
12. Applicants are advised that ASBA Applications not uploaded in the electronic book of the Stock Exchanges, due to any of the grounds mentioned above, would be rejected.

COMMUNICATIONS

All future communication in connection with ASBA Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First ASBA Applicant, ASBA Application Form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA Application Form, name and address of the Designated Branch of the SCSB where the ASBA Application was submitted, bank account number in which the amount equivalent to the Application amount was blocked and a copy of the acknowledgement slip. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or willful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held.

The Company, the LM, and the Registrar accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI Regulations.

ASBA Investors can contact the Compliance Officer, the Designated Branch of the SCSB where the ASBA Application Form was submitted, or the Registrar to the Issue in case of any pre- or post-Issue related problems such as non-



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receipt of credit of Allotted Equity Shares in the respective beneficiary accounts, unblocking of excess Application Amount, etc.

Disposal of Investor Grievances

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, application Amount blocked on application, bank account number and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA Applicants.

Impersonation

For details, see section titled “Issue Procedure- Impersonation” on Page No. 238 of this Draft Prospectus.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY IN INSTRUCTIONS TO SCSBs BY THE REGISTRAR TO THE ISSUE

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Regulations, the Company undertakes that:

Allotment and transfer shall be made only in dematerialized form within 15 days from the Issue Closing Date; and Instructions for unblocking of the ASBA Applicant’s Bank Account shall be made within 15 days from the Issue Closing Date.

Basis of Allocation

Applications received from ASBA Applicants will be considered at par with Applications received from non-ASBA Applicants. The basis of allocation to such valid ASBA and non-ASBA Applicants will be that applicable to Retail Individual Applicants. For details, see section “Issue Procedure- Basis of Allotment” on Page No. 231 of this Draft Prospectus.

Method of Proportionate basis of allocation in the Issue

ASBA Applicants, along with non-ASBA Applicants, will be categorized as Retail Individual Applicants. No preference shall be given vis-à-vis ASBA and non-ASBA Applicants.

Undertaking by our Company

In addition to our undertakings described under “Issue Procedure - Undertaking by our Company”, with respect to the ASBA Applicants, the Company undertakes that adequate arrangement shall be made to consider ASBA Applicants similar to other Applicants while finalizing the basis of allocation.

Utilization of Issue Proceeds

Our Board has provided certain certifications with respect to the utilization of Issue Proceeds. For details, see “Issue Procedure- Utilization of Issue Proceeds” on Page No. 243 of this Draft Prospectus.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of GoI and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment limit is allowed up to 100% under automatic route in our Company.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian Company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

Transfers of equity shares previously required the prior approval of the FIPB. However, vide a RBI circular dated October 4, 2004 issued by the RBI, the transfer of shares between an Indian resident and a non resident does not require the prior approval of the FIPB or the RBI, provided that

- (i) the activities of the investee Company are under the automatic route under the foreign direct investment (FDI) Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997
- (ii) The non-resident shareholding is within the sectoral limits under the FDI policy, and
- (iii) The pricing is in accordance with the regulations / guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.



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The Equity Shares have not been and will not be registered under the US 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), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act in transactions exempt from the registration requirements of the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulations under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

SECTION IX- MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

Title of Article	Article Number and Contents
Share Capital	3(A). The authorized share capital of the Company shall be such amount and be divided into such shares as may, from time to time, be provided in clause V of the Memorandum of Association payable in the manner as may be determined by the Directors, from time to time with rights, privileges and conditions attached thereto as are provided by the regulations of the Company for the time being with the power to increase and reduce, Sub-divide or repay, reclassify the same or to divide the same in to several classes and to attached thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company. (B) Minimum paid-up capital of the company shall be Rs.5,00,000/- (Rupees Five Lac Only).
Increase of Capital by the Company how carried into effect	4. The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares 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.
Non Voting Shares	5. The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.
Redeemable Preference Shares	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 authorizing such issue shall prescribe the manner, terms and conditions of redemption.



Title of Article	Article Number and Contents
Provisions to apply on Issue of Redeemable Preference Shares	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 affected 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	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 in any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.
Purchase of own Shares	8A. 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	9. Subject to the provisions of Section 94 and other applicable provisions of the Act, the

Title of Article	Article Number and Contents
consolidation and cancellation of Shares	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

Title of Article	Article Number and Contents
Modification of rights	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 <i>mutatis mutandis</i> apply to every such Meeting. This Article is not to derogate from any power the Company would have if this Article was omitted. 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 <i>pari passu</i> therewith.

SHARES, CERTIFICATES AND DEMATERIALISATION

Title of Article	Article Number and Contents
Restriction on allotment and return of allotment	11. The Board of Directors shall observe the restrictions on allotment of Shares to the public contained in Sections 69 and 70 of the Act, and shall cause to be made the returns as to allotment provided for in Section 75 of the Act.



Title of Article	Article Number and Contents
Further Issue of Shares	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 (1) hereof shall be deemed; (a) To extend the time within which the offer should be accepted; or (b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the persons in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation.

Title of Article	Article Number and Contents
	(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 under control of Directors	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.
Power to offer Shares/options to acquire Shares	13A. (i) 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.



Title of Article	Article Number and Contents
	(ii) 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 <i>inter alia</i> 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. (iii) The Board, or any Committee thereof duly authorized 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.
Application of premium received on Shares	14. (1) where the Company issues Shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on these Shares shall be transferred to an account, to be called "the share premium account" and the provisions of the Act relating to the reduction of the share capital of the Company shall except as provided in this Article, apply as if the share premium account were paid up share capital of the Company. (2) The share premium account may, notwithstanding anything in clause (1) thereof be applied by the Company: (a) In paying up unissued Shares of the Company, to be issued to the Members of the Company as fully paid bonus; (b) In writing off the preliminary expenses of the Company; (c) In writing off the expenses of or the commission paid or discount allowed or any issue of Shares or debentures of the Company ; or (d) In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.
Power also to Company in General Meeting to Issue Shares	15. In addition to and without derogating from the powers for that purpose conferred on the Board under these Articles, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any Shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a Member or not) the option or right to call for or buy allotted Shares of any class of the Company either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment, or disposal of any Shares.

Title of Article	Article Number and Contents
Power of General Meeting to authorize Board to offer Shares/Options to Employees	15A. (i) Without prejudice to the generality of the powers of the General Meeting under Article 15 or in any other Article of these Articles of Association, the General Meeting may, subject to the applicable provisions of the Act, rules notified there under and any other applicable laws, rules and regulations, determine, or give the right to the Board or any Committee thereof to determine, that any existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) be allotted/granted to its employees, including Directors (whether whole-time or not), whether at par, at discount or a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force. The General Meeting may also approve any Scheme/Plan/ other writing, as may be set out before it, for the aforesaid purpose (ii) In addition to the powers contained in Article 15A(i), the General Meeting may authorize the Board or any Committee thereof to exercise all such powers and do all such things as may be necessary or expedient to achieve the objectives of any Scheme/Plan/other writing approved under the aforesaid Article.
Shares at a discount	16. The Company may issue at a discount Shares in the Company of a class already issued, if the following conditions are fulfilled, namely: (a) The issue of the Shares at discount is authorized by resolution passed by the Company in the General Meeting and sanctioned by the Company Law Board; (b) The resolution specifies the maximum rate of discount (not exceeding ten percent or such higher percentage as the Company Law Board may permit in any special case) at which the Shares are to be issued; and (c) The Shares to be issued at a discount are issued within two months after the date in which the issue is sanctioned by the Company Law Board or within such extended time as the Company Law Board may allow.
Installments of Shares to be duly Paid	17. If by the conditions of any allotment of any Shares the whole or any part of the amount or issued price thereof shall, be payable by installments, every such installment shall when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the Shares or his legal representatives, and shall for the purposes of these Articles be deemed to be payable on the date fixed for payment and in case of non-payment the provisions of these Articles as to payment of interest and expenses forfeiture and like and all the other relevant provisions of the Articles shall apply as if such installments were a call duly made notified as hereby provided.



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Title of Article	Article Number and Contents
The Board may issue Shares as fully paid-up	18. Subject to the provisions of the Act and these Articles, the Board may allot and issue Shares in the Capital of the Company as payment for any property purchased or acquired or for services rendered to the Company in the conduct of its business or in satisfaction of any other lawful consideration. Shares which may be so issued may be issued as fully paid-up or partly paid up Shares.
Acceptance of Shares	19. Any application signed by or on behalf of an applicant for Share(s) in the Company, followed by an allotment of any Share therein, shall be an acceptance of Share(s) within the meaning of these Articles, and every person who thus or otherwise accepts any Shares and whose name is therefore placed on the Register of Members shall for the purpose of this Article, be a Member.
Deposit and call etc., to be debt payable	20. The money, if any which the Board of Directors shall on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them shall immediately on the inscription of the name of the allottee in the Register of Members as the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
Liability of Members	21. Every Member, or his heirs, executors or administrators to the extent of his assets which come to their hands, shall be liable to pay to the Company the portion of the capital represented by his Share which may, for the time being, remain unpaid thereon in such amounts at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's requirements require or fix for the payment thereof.
Dematerialization of Securities	21.(A) Definitions Beneficial Owner "Beneficial Owner" means a person whose name is recorded as such with a Depository. SEBI "SEBI" means the Securities and Exchange Board of India. Bye-Laws "Bye-Laws" mean bye-laws made by a depository under Section 26 of the Depositories Act, 1996; Depositories Act. "Depositories Act" means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force; Depository "Depository" means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992;

Title of Article	Article Number and Contents
	Record “Record” includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI; Regulations “Regulations” mean the regulations made by SEBI; Security “Security” means such security as may be specified by SEBI.
Dematerialization of Securities	21.(B) Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialized form, the Company shall enter into an agreement with the depository to enable the investor to dematerialize the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.
Options to receive security certificates or hold securities with depository	21. (C) Every person subscribing to securities offered by the Company shall have the option to receive the Security certificates or hold securities with a depository. Where a person opts to hold a Security with a depository, the Company shall intimate such depository the details of allotment of the Security, and on receipt of such information the depository shall enter in its record the name of the allotted as the Beneficial Owner of that Security.
Securities in depositories to be in fungible form	21.(D) All Securities held by a Depository shall be dematerialized and shall be in a fungible form; nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.
Rights of Depositories and Beneficial Owners	21.(E) (1) Notwithstanding anything to the contrary contained in the Articles, a Depository shall be deemed to be a registered owner for the purposes of effecting transfer of ownership of Security on behalf of the Beneficial Owner; (2) Save as otherwise provided in (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it; (3) Every person holding equity share capital of the Company and whose name is entered as Beneficial Owner in the Records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the Securities held by a Depository.
Depository to Furnish Information	21. (F) Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.



Title of Article	Article Number and Contents
Option to Opt out in respect of any Security	21. (G) If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its Records and shall inform the Company. The Company shall, within thirty (30) days of the receipt of intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.
Sections 83 and 108 of the Act not to apply	21. (H) Notwithstanding anything to the contrary contained in the Articles, (1) Section 83 of the Act shall not apply to the Shares held with a Depository; (2) Section 108 of the Act shall not apply to transfer of Security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the Records of a Depository.
Share Certificate	22. (a) Every Member or allottee of Shares is entitled, without payment, to receive one certificate for all the Shares of the same class registered in his name. (b) Any two or more joint allottees or holders of Shares shall, for the purpose of this Article, be treated as a single Member and the certificate of any Share which may be the subject of joint ownership may be delivered to any one of such joint owners, on behalf of all of them.
Limitation of time for Issue of Certificates	22A. Every Member shall be entitled, without payment, to one or more Certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Directors may from time to time to approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each or one or more of such Shares and the Company shall complete and have ready for delivery such certificates within three months from the date of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case maybe. Every Certificate of Shares shall be under the seal of the Company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may prescribe or approve, provided that in respect of a Share or Shares held jointly by several persons shall be sufficient delivery to all such holders.
Renewal of Share Certificates	23. No certificate of any Share or Shares shall be issued either in exchange for those, which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfer have been duly utilized unless the certificate in lieu of which it is issued is surrendered to the Company. PROVIDED THAT no fee shall be charged for issue of new certificate in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfer have been fully utilized.

Title of Article	Article Number and Contents
New Certificate to be granted on delivery of the Old Certificates	24. New certificates shall not be granted under the provisions of the forgoing Article except upon delivery of the worn out or defaced or used up certificate for the purpose of cancellation and, in case of destruction or loss of certificate, upon proof of destruction or loss, and upon such terms, if any, as to evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigating evidence as the Board of Directors may think fit in the case of any certificate having been destroyed, lost or defaced beyond identification. Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any stock exchange or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf. The provisions of this Article shall mutatis mutandis apply to Debentures of the Company.
The first name joint holder deemed sole holder	25. If any Share(s) stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and all or any other matters connected with Company except voting at Meetings and the transfer of the Shares be deemed the sole holder thereof but the joint holders of a Share shall severally as well as jointly be liable for the payment of all incidents thereof according to the Company's Articles.
Company not bound to recognize any interest in Shares other than of registered holder	26. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.
Trust Recognized	27. (a) Except as ordered, by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof, any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them. (b) Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or of a person of unsound mind (except in case where they are fully paid) or in the name of any firm or partnership.



Title of Article	Article Number and Contents
Declaration by person not holding beneficial interest in any Shares	28. (1) Notwithstanding anything herein contained a person whose name is at any time entered in Register of Member of the Company as the holder of a Share in the Company, but who does not hold the beneficial interest in such Shares, shall, if so required by the Act within such time and in such forms as may be prescribed, make declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in the manner provided in the Act 2) A person who holds a beneficial interest in a Share or a class of Shares of the Company, shall if so required by the Act, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the Shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in the Act (3) Whenever there is a change in the beneficial interest in a Share referred to above, the beneficial owner shall, if so required by the Act, within the time prescribed, from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act. (4) Notwithstanding anything contained in the Act and Articles 26 and 27 hereof, where any declaration referred to above is made to the Company, the Company shall, if so required by the Act, make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.
Funds of Company not to be applied in purchase of Shares of the Company	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.

INTEREST OUT OF CAPITAL

Title of Article	Article Number and Contents
Interest out of capital	33. Where any Shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provisions of any plant which cannot be made profitable for lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid-up, for the period at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building or the provisions of the plant.

CALLS

Title of Article	Article Number and Contents
Directors may make calls	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.
Notice of call when to be given	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.
Call deemed to have been made	37. A call shall be deemed to have been made at the time when the resolution authorizing 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.
Directors may extend time	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 extended 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.



Title of Article	Article Number and Contents
Amount payable at fixed time or by installments to be treated as calls	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.
When interest on call or installment payable	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 upto the time of actual payment but the Directors may waive payment of such interest wholly or in part.
Evidence in action by Company against share holder	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.
Payment in anticipation of calls may carry interest	42. The Board of Directors may, if it thinks fit, subject to the provisions of Section 92 of the Act, agree to and receive from any Member willing to advance the same, all or any part of the amount due upon the Shares held by him beyond the sums actually called for and upon the money so paid up in advance or so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and in respect of its Shares on account of which such advances are made, the Board of Directors may pay or allow interest at such rate not exceeding, unless the Company in General Meeting shall otherwise direct, fifteen per cent per annum as the Member paying the sum in advance and the Board of Directors agree upon. The Board of Directors may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to such Member three months' notice in writing. Money so paid in advance of the amount of calls

Title of Article	Article Number and Contents
	shall not confer a right to dividend or to participate in profits. No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment presently payable. The provisions of this Article shall mutatis mutandis apply to the calls on Debentures of the Company.

LIEN

Title of Article	Article Number and Contents
Partial payment not to preclude forfeiture	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.
Company to have lien on Shares/ Debentures	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.
As to enforcing lien by sale	45. The Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has lien for the purpose of enforcing the same PROVIDED THAT no sale shall be made:- (a) Unless a sum in respect of which the lien exists is presently payable; or (b) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is /presently payable has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency. For the purpose of such



Title of Article	Article Number and Contents
	sale the Board may cause to be issued a duplicate certificate in respect of such Shares and may authorize one of their members to execute a transfer there from behalf of and in the name of such Members. (c) The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the Shares be affected by any irregularity, or invalidity in the proceedings in reference to the sale.
Application of proceeds of sale	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).

FORFEITURE OF SHARES

Title of Article	Article Number and Contents
If money payable on Shares not paid notice to be given	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.
Sum payable on allotment to be deemed a call	48. For the purposes of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.
Form of notice	49. The notice shall name a day, (not being less than fourteen days from the day of the notice) and a place or places on and at which such call in installment and such interest thereon at such rate not exceeding eighteen percent per annum as the Directors may determine and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place appointed, Shares in respect of which the call was made or installment is payable will be liable to be forfeited.
In default of payment Shares to be forfeited	50. If the requirements of any such notice as aforesaid are not complied with, any Share or Shares in respect of which such notice has been given may at any time thereafter before payment of all calls or installments, interests and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include

Title of Article	Article Number and Contents
	all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture.
Notice of forfeiture to a Member	51. When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
Forfeited Shares to be the property of the Company and may be sold etc.	52. Any Share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.
Member still liable for money owing at the time of forfeiture and interest	53. Any Member whose Shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding eighteen percent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof, if it thinks fit, but shall not be under any obligation to do so.
Effects of forfeiture	54. The forfeiture of a Share shall involve the extinction at the time of the forfeiture, of all interest in and all claims and demand against the Company in respect of the Share and all other rights incidental to the Share, except only such of those rights as by these Articles are expressly saved.
Power to Annul Forfeiture	55. The Board of Directors may at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.



Title of Article	Article Number and Contents
Declaration of forfeiture	56 (a) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary of the Company, and that Share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share. (b) The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off. (c) The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share. (d) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment. (e) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale re-allotment or other disposal of the Shares.
Provisions of these articles as to forfeiture to apply in case of nonpayment of any sum.	57. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes payable at a fixed time, whether on account of the nominal value of Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
Cancellation of shares certificates in respect of forfeited Shares	58. Upon sale, re-allotment or other disposal under the provisions of these Articles, the certificate or certificates originally issued in respect of the said Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.
Evidence of forfeiture	59. The declaration as mentioned in Article 56(a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

Title of Article	Article Number and Contents
Validity of sale	60. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
Surrender of Shares	61. The Directors may subject to the provisions of the Act, accept a surrender or any share from any Member desirous of surrendering on such terms and conditions as they think fit.

TRANSFER AND TRANSMISSION OF SHARES

Title of Article	Article Number and Contents
No transfers to minors etc.	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.
Form of transfer	63. The instrument of transfer of any Share shall be in the prescribed form under the Companies (Central Governments) General Rules and Forms, 1956 and in accordance with the requirements of Section 108 of the Act.
Application for transfer	64. (a) An application for registration of a transfer of the Shares in the Company may be either by the transferor or the transferee. (b) 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 (c) 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.



Title of Article	Article Number and Contents
Execution of transfer	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.
Transfer by legal representatives	66. A transfer of Share in the Company of a deceased Member thereof made by his legal representative shall, although the legal representative is not himself a Member be as valid as if he had been a Member at the time of the execution of the instrument of transfer.
Register of Members etc when closed	67. The Board of Directors shall have power on giving not less than seven days pervious notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated to close the Register of Members and/or the Register of debentures holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.
Directors may refuse to Register Transfer	68. Subject to the provisions of Section 111 of the Act, Section 22A of the Securities Contract (Regulation) Act, 1956 and all other laws, rules, regulations and statutory agreements, if any, applicable to the Company or any statutory modification thereof for the time being in force, the Directors may at any time in their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of any Share and in particular may so decline in any case in which the Company has a lien upon the Shares desired to be transferred or any call or installment regarding any of them remain unpaid or if the transferee is not approved by the Directors and such refusal shall not be affected by the fact that the proposed transferee is already a Member; in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer. The registration of transfer shall be conclusive an evidence of the approval of the Directors of the transferee. Registration of a transfer shall not be refused on the grounds of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except in lien on Shares. Transfer of Shares/Debentures in whatever lot shall not be refused.
Death of one or more joint holders of Shares	69. In case of the death of any one or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognized by the Company as having any title or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him with any other person.

Title of Article	Article Number and Contents
Titles of Shares of deceased Member	70. The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks it, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 109A and 109B of the Companies Act.
Notice of application when to be given	71. Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.
Registration of persons entitled to Shares otherwise than by transfer (Transmission Clause)	72. Subject to the provisions of the Act and Article 69 hereto, any person becoming entitled to Share in consequence of the death, lunacy, bankruptcy insolvency of any Member or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Share or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered as a holder, he shall execute an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the Shares. This clause is hereinafter referred to as the "Transmission Clause".
Refusal to register nominee	73. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.
Person entitled may receive dividend without being registered as a Member	74. A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.



Title of Article	Article Number and Contents
No fees on transfer or transmissions	75. No fee shall be charged for registration of transfer, transmission Probate, Succession Certificate & Letters of Administration, Certificate of Death or Marriage, Power of Attorney or other similar documents.
Transfer to be presented with evidence of title	76. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the Shares and generally under and subject to such conditions and regulations as the Board may, from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.
Company not liable for disregard of a notice prohibiting registration of transfer	77. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound to be required to regard or attend to give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

SHARE WARRANTS

Title of Article	Article Number and Contents
Power to Issue Share Warrants	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.
Deposit of Share Warrants	79. (a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the

Title of Article	Article Number and Contents
	expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant (b) Not more than one person shall be recognized as depositor of the Share warrant (c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor
Privileges and disabilities of the holders of Share Warrant	80. (a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company. (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.
Issue of New Share Warrant Coupons	81. The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

Title of Article	Article Number and Contents
Share may be converted into stock	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.
Transfer of stock	83. The several holders of such stock may transfer their respective interest therein or any part thereof in the same manner and subject to the same regulations under which the stock arose might before the conversion, have been transferred, or as near thereto as circumstances admit. PROVIDED THAT the Board may, from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the Shares from which stock arose.
Right of stock holders	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



Title of Article	Article Number and Contents
	privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred those privileges or advantages.
Regulation applicable to stock and share warrant	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

Title of Article	Article Number and Contents
Power to borrow	86. Subject to the provisions of Sections 58A, 292 and 293(1)(d) of the Act and these Articles, the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any such sum or sums of money for the purposes of the Company from any source. PROVIDED THAT, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the Company in General Meeting. No debts incurred by the Company in excess of the limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.
The payment or repayment of moneys borrowed	87. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its un-called capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
Terms of issue of Debentures	88. Any debenture, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at General Meeting, appointment of Directors and otherwise; however, Debentures with the right to conversion

Title of Article	Article Number and Contents
	into or allotment of Shares shall be issued only with the consent of the Company in General Meeting by a Special Resolution.
Mortgage of uncalled capital	89. If any uncalled capital of the Company is included in or charged by mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles, make calls on the Members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security has been executed.

MEETING OF MEMBERS

Title of Article	Article Number and Contents
Statutory Meeting	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.
Annual General Meeting	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. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting. Every Member of the Company shall be entitled to attend, either in person or by proxy and the Auditors of the Company, shall have the right to attend and be heard at any General Meeting which he attends on any part of the business which concerns him as an Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Director's Report and audited statement of accounts, the Proxy Register with proxies and the Register of Director's Shareholding, which Registers shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the annual list of Members, summary of share capital, balance sheet and profit and loss account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.



GEMINI ENG-FAB LIMITED

Title of Article	Article Number and Contents
Extra-Ordinary General Meeting	93. All General Meeting other than Annual General Meeting shall be called Extra-Ordinary General Meeting.

MEETING OF MEMBERS

Title of Article	Article Number and Contents
Notice of business to be given	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.
Quorum	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.
If quorum not present when Meeting to be dissolved and when to be adjourned	103. If within half an hour from the time appointed for holding a Meeting of the Company, a quorum is not present, the Meeting, if called by or upon the requisition of the Members shall stand dissolved and in any other case the Meeting shall stand, adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday, at the same time and place or to such other day and at such other time and place as the Board may determine. If at the adjournment meeting also, a quorum is not present within half an hour from the time appointed for holding the Meeting, the Members present shall be a quorum and may transact the business for which the Meeting was called.
Resolution passed at adjourned Meeting	104. Where a resolution is passed at an adjourned Meeting of the Company, the resolution for all purposes is treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.
Chairman of General Meeting	105. At every General Meeting the Chair shall be taken by the Chairman of the Board of Directors. If at any Meeting, the Chairman of the Board of Directors is not present within ten minutes after the time appointed for holding the Meeting or though present, is unwilling to act as Chairman, the Vice Chairman of the Board of Directors would act as Chairman of the Meeting and if Vice Chairman of the Board of Directors is not present or, though present, is unwilling to act as Chairman, the Directors present may choose one of themselves to be a Chairman, and in default or their doing so or if no Directors shall be present and willing to take the Chair, then the Members present shall choose one of themselves, being a Member entitled to vote, to be Chairman.

Title of Article	Article Number and Contents
Act for Resolution sufficiently done or passed by Ordinary Resolution unless otherwise required.	105(A) Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in General Meeting shall be sufficiently done so or passed if effected by an Ordinary Resolution unless either the Act or the Articles specifically require such act to be done or resolution be passed by a Special Resolution.
Business confined to election of Chairman whilst the Chair is vacant	106. No business shall be discussed at any General Meeting except the election of a Chairman whilst the Chair is vacant.
Chairman may adjourn Meeting	107. (a) The Chairman may with the consent of Meeting at which a quorum is present and shall if so directed by the Meeting adjourn the Meeting from time to time and from place to place. (b) No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place. (c) When a Meeting is adjourned for thirty days or more notice of the adjourned Meeting shall be given as in the case of an original Meeting. (d) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned Meeting.
How questions are decided at Meetings	108. Every question submitted to a General Meeting shall be decided in the first instance by a show of hands unless the poll is demanded as provided in these Articles.
Chairman's declaration of result of voting on show of hands	109. A declaration by the Chairman of the Meeting that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the book containing the minutes of the proceeding of the Company's General Meeting shall be conclusive evidence of the fact, without proof of the number or proportion of votes cast in favour of or against such resolution.
Demand of Poll	110. Before or on the declaration of the result of the voting on any resolution on a show of hands a poll may be ordered to be taken by the Chairman of the Meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by any Member or Members present in person or by proxy and holding Shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.



Title of Article	Article Number and Contents
Time of taking Poll	111. A poll demanded on a question of adjournment or election of a Chairman shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than forty-eight hours from the time when the demand was made and in such manner and place as the Chairman of the Meeting may direct and the result of the poll shall be deemed to be the decision of the Meeting on the resolution on which the poll was taken.
Chairman's casting vote	112. In the case of equality of votes the Chairman shall both on a show of hands and on a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member.
Appointment of Scrutineers	113. Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutineers to scrutinize the vote given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a Member (not being an officer or employee of the Company) present at the Meeting, provided such a Member is available and willing to be appointed. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of the scrutineer arising from such removal or from any other cause.
Demand for poll not to prevent transaction of other business	114. The demand for a poll shall not prevent transaction of other business (except on the question of the election of the Chairman and of an adjournment) other than the question on which the poll has been demanded.
Special notice	115. Where by any provision contained in the Act or in these Articles, special notice is required for any resolution notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the Meeting at which it is to be moved, exclusive of the day which the notice is served or deemed to be served on the day of the Meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its Members notice of the resolution in the same manner as it gives notice of the Meeting, or if that is not practicable shall give them notice thereof, either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the Meeting.

DIRECTORS

Title of Article	Article Number and Contents
Number of Directors	134. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act and subject to approval of required authority, the number of Directors shall not be less than three and not more than twelve.

Title of Article	Article Number and Contents
Limit on number of retaining Directors	138. The provisions of Articles 136, 137 and 138 are subject to the provisions of Section 256 of the Act and number of such Directors appointed under Article 137 shall not exceed in the aggregate one third of the total number of Directors for the time being in office.

MANAGING DIRECTOR

Title of Article	Article Number and Contents
Powers to appoint Managing Director	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.
Remuneration of Managing Director	167. Subject to the provisions of Sections 309, 310 and 311 of the Act, a Managing Director shall, in addition to any remuneration that might be payable to him as a Director of the Company under these Articles, receive such remuneration as may from time to time be approved by the Company.
Special position of Managing Director	168. Subject to any contract between him and the Company, a Managing or Whole Time Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provision of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, <i>ipso facto</i> and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.



Title of Article	Article Number and Contents
Powers of Managing Director	169. The Director may from time to time entrust to and confer upon a Managing Director or Whole Time Director for the time being such of the powers exercisable under these provisions by the Directors, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient, and they may confer such powers, either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the Directors in that behalf and from time to time, revoke, withdraw, alter, or vary all or any of such powers.
	170. The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole Time Director or Whole Time Directors of the Company and may exercise all the powers referred to in these Articles.

PROCEEDINGS OF THE BOARD OF DIRECTORS

Title of Article	Article Number and Contents
Meeting of Directors	174. 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.
Chairman of Meeting	177. The Chairman of the Board of Directors shall be the Chairman of the meetings of Directors, provided that if the Chairman of the Board of Directors is not present within five minutes after the appointed time for holding the same, meeting of the Director shall choose one of their members to be Chairman of such Meeting.
Powers of Board meeting	179. A meeting of the Board of Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act, or the Articles for the time being of the Company which are vested in or exercisable by the Board of Directors generally.

DIVIDENDS AND CAPITALISATION OF RESERVES

Title of Article	Article Number and Contents
Division of profits	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.
The Company at General Meeting may declare dividend	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.
Dividends out of profits only	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.
Interim dividend	195. The Board of Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies.
Debts may be deducted	196. (a) The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists. (b) The Board of Directors may retain the dividend payable upon Shares in respect of which any person is, under the Transmission Article, entitled to become a Member or which any person under that Article is entitled to transfer until such person shall become a Member or shall duly transfer the same.
Capital paid-up in advance as interest not to earn dividend	197. Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.
Dividends in proportion to amounts paid-up	198. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms provided that it shall rank for dividends as from a particular date such Share shall rank for dividend accordingly.



Title of Article	Article Number and Contents
No Member to receive dividend while indebted to the Company and the Company's right in respect thereof	199. No Member shall be entitled to receive payment of any interest or dividend or bonus in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares (or otherwise however either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any Member all such sums of money so due from him to the Company.
Effect of transfer of Shares	200. A transfer of Shares shall not pass the right to any dividend declared therein before the registration of the transfer.
Dividend to joint holders	201. Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.
Dividend how remitted	202. The dividend payable in cash may be paid by cheque or warrant sent through post directly to registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders who is first named on the Register of Members or to such person and to such address as the holder or joint holders may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transit or for any dividend lost, to the Member or person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.
Notice of dividend	203. Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holders of Share in the manner herein provided.
Reserves	204. The Directors may, before recommending or declaring any dividend set aside out of the profits of the Company such sums as they think proper as reserve or reserves, which shall, at the discretion of the Directors, be applicable for meeting contingencies or for any other purposes to which the profits of the Company may be properly applied and pending such application, may at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit.

Title of Article	Article Number and Contents
Dividend to be paid within time required by law.	205. The Company shall pay the dividend, or send the warrant in respect thereof to the shareholders entitled to the payment of dividend, within such time as may be required by law from the date of the declaration unless:- (a) where the dividend could not be paid by reason of the operation on any law; or (b) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with; or (c) where there is dispute regarding the right to receive the dividend; or (d) where the dividend has been lawfully adjusted by the Company against any sum due to it from shareholder; or (e) Where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.
Unclaimed dividend	206. No unclaimed dividend shall be forfeited by the Board and the Directors shall comply with the provisions of the Act and the Rules there under as regards unclaimed dividends.
Set-off of calls against dividends	207. Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the Meeting fixes but so that the call on each Member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Members, be set off against the calls.
Dividends in cash	208. No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.



Title of Article	Article Number and Contents
Capitalization	209.(1)The Company in General Meeting may, upon the recommendation of the Board, resolve: (a) That is desirable to capitalize 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.
Board to give effect	210. The Board shall give effect to the resolution passed by the Company in pursuance of above Article.

Title of Article	Article Number and Contents
Fractional certificates	211. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall; (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid Shares and (b) Generally do all acts and things required to give effect thereto. (2)The Board shall have full power: (a) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, also (b) to authorize any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalization or (as the case may require) for the payment by the Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalized of the amounts remaining unpaid on their existing Shares. (3) Any agreement made under such authority shall be effective and binding on all such Members. (4)That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.

ACCOUNTS

Title of Article	Article Number and Contents
Books to be kept	212. (1) The Company shall keep at its Registered Office proper books of account as would give a true and fair view of the state of affairs of the Company or its transactions with respect to: (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place (b) all sales and purchases of goods by the Company (c) the assets and liabilities of the Company and (d) if so required by the Central Government, such particulars relating to utilization of material or labour or to other items of cost as may be prescribed by the Government Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.



	(2)Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of clause (1) if proper books of account relating to the transaction effected at the branch are kept at that office and proper summarized returns, made upto date at intervals of not more than three months, are sent by the branch office to the Company at its Registered Office or the other place referred to in sub-clause (1). The books of accounts and other books and papers shall be open to inspection by any Director during business hours.
Inspection by Members	213. No Members (not being a Director) shall have any right of inspecting any account books or documents of the Company except as allowed by law or authorized by the Board.
Statements of accounts to be furnished to General Meeting	214. The Board of Directors shall from time to time in accordance with Sections 210,211,212, 216 and 217 of the Act, cause to be prepared and laid before each Annual General Meeting a profit and loss account for the financial year of the Company and a balance sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the Meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.
Right of Members or others to copies of balance sheet and Auditors' report and statement under Section 219	215. (1) The Company shall comply with the requirements of Section 219 of the Act. (2) The copies of every balance sheet including the Profit & Loss Account, the Auditors' Report and every other document required to be laid before the Company in General Meeting shall be made available for inspection at the Registered Office of the Company during working hours for a period of 21 days before the Annual General Meeting. A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as the Company may deem fit will be sent to every Member of the Company and to every trustee of the holders of any Debentures issued by the Company not less than 21 days before the date of the Meeting.
Accounts to be audited	216. Once at least in every year the accounts of the Company shall be examined, balanced and audited and the correctness of the profit and loss Account and the balance sheet ascertained by one or more Auditor or Auditors.

Appointment of Auditors	217. (1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 224 to 229 and 231 of the Act. (2) The Company shall at each Annual General Meeting appoint an Auditor or Auditors to hold office from conclusion of that Meeting until the conclusion of the next Annual General Meeting and shall within seven days of the appointment give intimation thereof to the Auditor so appointed unless he is a retiring Auditor. (3) At any Annual General Meeting a retiring Auditor by whatsoever authority appointed shall be reappointed unless: (a) he is not qualified for re-appointment; (b) he has given to the Company notice in writing of his unwillingness to be re-appointed; (c) a resolution has been passed at that Meeting appointing somebody instead of him or providing expressly that he shall not be re-appointed; or (d) where notice has been given of an intended resolution to appoint some person or persons in the place of retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons as the case may be, the resolution cannot be proceeded with. (4) Where at any Annual General Meeting no Auditors are appointed or re-appointed, the Central Government may appoint a person to fill the vacancy. (5) The Company shall within seven days of the central government's power under sub-clause (4) becoming exercisable give notice of that fact to that Government. (6) The Directors may fill any casual vacancy in the office of Auditors, but while any such vacancy continues, the surviving or continuing Auditor or Auditors (if any) may act but where such vacancy is caused by the resignation of art Auditor, the vacancy shall only be filled by the Company in General Meeting. (7) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless a special notice of a resolution for appointment of that person to the office of Auditor has been given by a Member to the Company not less than fourteen days before the Meeting in accordance with Section 190 of the Act and the Company shall send a copy of any such notice to retiring Auditor and shall give notice thereof, to the Members in accordance with Section 190 of the Act and all the other provisions of Section 225 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that retiring Auditor shall not be re-appointed.
Accounts when audited and approved to be conclusive except as to errors discovered within 3 months	218. Every account when audited and approved by a General Meeting shall be conclusive except as regards any errors discovered therein within the next three months after the approval thereof. Whenever any such error is discovered within that period, the account shall be corrected, and amendments effected by the Directors in pursuance of this Article shall be placed before the Members in General Meeting for their consideration and approval and, on such approval, shall be conclusive.



DOCUMENTS AND NOTICES

Title of Article	Article Number and Contents
To whom documents must be served or given	219. Document or notice of every Meeting shall be served or given on or to (a) every Member (b) every person entitled to a Share in consequence of the death or insolvency of a Member and (c) the Auditor or Auditors for the time being of the Company, PROVIDED that when the notice of the Meeting is given by advertising the same in newspaper circulating in the neighborhood of the office of the Company under Article 99, a statement of material facts referred to in Article 100 need not be annexed to the notice, as is required by that Article, but it shall merely be mentioned in the advertisement that the statement has been forwarded to the Members of the Company.
Members bound by documents or notices served on or given to previous holders	220. Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which prior to his name and address being entered in the Register of Members shall have been duly served on or given to the person from whom he derived, his title to such Share.
Service of documents on the Company	221. A document may be served on the Company or an officer thereof by sending it to the Company or officer at the Registered Office of the Company by post under a certificate of posting or by registered post or by leaving it at its Registered Office.
Authentication of documents and proceedings	222. Save as otherwise expressly provided in the Act, a document or proceedings requiring authentication by the Company may be signed by a Director, the Managing Director, or the Secretary or other authorized officer of the Company and need not be under the Seal of the Company.

WINDING UP

Title of Article	Article Number and Contents
Distribution of assets	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.

Distribution in Specie or Kind	226. (a) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidator, with the like sanction, shall think fit. (b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributions (except where unalterably fixed by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 494 of the Act. (c) In case any Shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said Shares may within ten days after the passing of the Special Resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall, if practicable act accordingly
Right of shareholders in case of sale	227. A Special Resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act may subject to the provisions of the Act in like manner as aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction.
Directors and others right to indemnity	228. Subject to the provisions of Section 201 of the Act, every Director of officer, or servant of the Company or any person (whether an officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors, out of the funds of the Company to pay all costs, charges, losses and damages which any such person may incur or become liable to pay by reason of any contract entered into or any act, deed, matter or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act, neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, officer or Auditor or other office of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favour, or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.



GEMINI ENGI-FAB LIMITED

Director, officer not responsible for acts of others	229. Subject to the provisions of Section 201 of the Act no Director, Auditor or other officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of the title to any property acquired by order of the Directors for on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested for any loss or damages arising from the insolvency or tortuous act of any person, firm or Company to or with whom any moneys, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgment, omission, default or oversight on his part of for any other loss, damage, or misfortune whatever shall happen in relation to execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.

SECRECY CLAUSE

Title of Article	Article Number and Contents
Secrecy Clause	230. Every Director/Manager, Auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or any other person-employed in the business of the Company shall, if so required by the Director, before entering upon his duties, sign a declaration pledging himself, to observe a strict secrecy respecting all transactions and affairs of the Company with the Company customers and the state of the accounts with individuals and in matter thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
No Member to enter the premises of the Company without permission	231. No Member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Board of Directors or Managing Director, or to inquire discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

SECTION X – MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

I. MATERIAL CONTRACTS

- (1) Memorandum of Understanding dated October 05, 2010 entered into by the Company – Gemini Engi-Fab Limited with the Lead Manager to the Issue – Hem Securities Limited.
- (2) Memorandum of Understanding dated October 05, 2010 entered into by the Company with Karvy Computershare Private Limited, to act as the Registrar to the Issue.
- (3) Escrow Agreement dated [●] between Escrow Collecting Bank, the Lead Manager, the Registrar and the Issuer Company.
- (4) Tripartite Agreement dated January 14, 2008 between the NSDL, the Issuer Company and the Registrar.
- (5) Tripartite Agreement dated January 17, 2008 between the CDSL, the Issuer Company and the Registrar.
- (6) Resolution dated March 27, 2007 between Gemini Engi-Fab Limited and Mr. Rakesh D. Panchal to appoint him as Managing Director of the Company for a period of 5 years w.e.f. February 1st, 2007

II. DOCUMENTS

- (1) Memorandum and Articles of Association of our Company as amended.
- (2) Partnership Deeds of our Group Companies as amended from time to time.
- (3) Certificate of Incorporation issued by the Registrar of Companies, Maharashtra, Mumbai issued to our Company.
- (4) Copy of the Resolution passed at Annual General Meeting of the Issuer Company held on June 2, 2008 approving the terms of compensation to be paid to the Managing Director and Executive Directors.
- (5) Copy of the Resolution passed at Board Meeting held on October 1, 2010 and copies of the Special Resolutions passed at the Extra Ordinary General Meetings of the Company held on October 4, 2010 under Section 81, 81(1A) of the Companies Act, 1956 for authorizing the Issue.
- (6) Copies of the Annual Reports of our Company for the years ended March 31, 2006; March 31, 2007; March 31, 2008, March 31, 2009 and March 31, 2010 and Half Year ended September 30, 2010.



GEMINI ENGI-FAB LIMITED

- (7) Copies of the Annual Reports of our Group Firms for two years ended March 31, 2008 and March 31, 2009.
- (8) Consents of the Directors, Compliance Officer, Auditors, Lead Manager to the Issue, Legal Advisor, Banker to the Company, IPO Grading Agency, and Registrars to the Issue to include their names in this Draft Prospectus, to act in their respective capacities.
- (9) Copy of the Tax Benefits Certificate dated October 28, 2010 by M/s Dass Maulik Mahendra K Agrawala & Co., Chartered Accountants
- (10) Copy of the Chartered Accountant Certificate dated October 26, 2010 by M/s Dass Maulik Mahendra K Agrawala & Co., Chartered Accountants, regarding the sources and deployment of funds.
- (11) Copy of Auditor's Report dated October 28, 2010 by M/s Dass Maulik Mahendra K Agrawala & Co., Chartered Accountants on Financial Statements as restated, of the Issuer Company.
- (12) A Copy of the Project Report for the expansion project of the Company.
- (13) Copy of Resolution passed at the Board Meeting held on September 16, 2010 for the formation of the Audit Committee, Investor Grievance Committee, Share Transfer Committee and Remuneration Committee.
- (14) Copies of Resolutions for appointment of the Executive Directors of the Company.
- (15) Lease Deed dated June 21, 2008 entered between the Issuer Company and M/s Expert Engineers for Land situated at Plot No. 1504, Umbergaon Industrial Estate, Village Umbergaon, Taluka-Umbergaon, District – Valsad, Valsad-396 171.
- (16) Lease deed dated September 28, 2006 entered between the Issuer Company and Gujarat Industrial Development Corporation for the land situated at Plot No. 1505, Umbergaon Industrial Estate, Village Umbergaon, Taluka Umbergaon, District Valsad, Valsad – 396 171.
- (17) Sale Agreement dated January 18, 2006 entered between the Issuer Company and Sellers (i.e. Ferani Developers and Mr. Nusli Neville Wadia) for the Unit No. 501, 5th floor, Palm Spring, Link Road, Next to 'D'Mart, Mumbai – 400 064, India.
- (18) Conveyance Deed dated February 5th, 2008 between the Issuer Company and Vendors (i.e. Mr. Prabhodh Sanjanwala, Mr. Sirish Sanjanwala, Mr. Kamal Sanjanwala and Mr. Shyam Sanjanwala) for land situated at Survey no. 62 Paiki 3, Survey No. 147 Paiki 5 and Survey No. 148, all under Khata No. 155, Village Palgam, Taluka Umbergaon, District Valsad

- (19) Letter dated October 3, 2009 with Ref No. CB/NA/Reg. No. 14/08/ws.2513 RE 2522 from Office of the Collector, Valsad to the Issuer Company certifying use of the land (situated at Survey no. 62 Paiki 3, Survey No. 147 Paiki 5 and Survey No. 148, all under Khata No. 155, Village Palgam, Taluka Umbergaon, District Valsad) for Bonafide Industrial Purpose
- (20) Sale Agreement dated April 5, 2006 entered between the Issuer Company and M/s. Harish Tex-mach Pvt. Ltd. for Land situated at Plot No. 1506, Umbergaon Industrial Estate, Village Umbergaon, Taluka – Umbergaon, District – Valsad, Valsad – 396 171.
- (21) Due Diligence Certificate dated on November 04, 2010 from Lead Manager - Hem Securities Limited, Mumbai.
- (22) Due Diligence Certificate and Report dated November 04, 2010 from Legal Advisors to the Company, Mindspright Legal, Mumbai
- (23) Copy of the Applications made to BSE on [●]
- (24) Copy of the Applications made to NSE on [●]
- (25) In-principle Listing Approval dated [●] received from BSE.
- (26) In-principle Listing Approval dated [●] received from NSE.
- (27) SEBI Observation Letter No. [●] dated [●]
- (28) Copy of the Board Resolution passed at Meeting of Board of Directors held on November 09, 2010 for approving the Draft Prospectus.

III. Time and place at which the contracts, together with documents, will be available for inspection from the date of Draft Prospectus until the date of closing of the subscription list at the Registered Office of the Company

Gemini Engi-Fab Limited

501, Palm Spring, Link Road,
 Next to 'D' Mart, Malad (West),
 Mumbai – 400 064, India
Tel. No. 91-22-28808822
Fax No. 91-22-2880 8998



GEMINI ENGI-FAB LIMITED

SECTION XI – DECLARATION

We, the Directors of the Company, certify that all relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the Regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules made there under or Regulations issued, as the case may be. We further certify that all the statements in this Draft Prospectus are true and correct.

Signed by the Board of Directors and Company Secretary & Compliance Officer of the Company:

Sd/-

Dalpatram J. Panchal

Executive Chairman

Sd/-

Rakesh D. Panchal

Managing Director

Sd/-

Ashish D. Panchal

Whole Time Director

Sd/-

Hitesh D. Panchal

Whole Time Director

Sd/-

Sanjit Gohil

Non-Executive, Independent Director

Sd/-

Jayant Chandra

Non-Executive, Independent Director

Sd/-

Jairaj Desai

Non-Executive, Independent Director

Sd/-

Vijay Panchal

Non-Executive, Independent Director

Sd/-

Ms. Pooja Karia

Company Secretary & Compliance Officer

Place: Mumbai

Date: November 09, 2010