



KABIRDASS MOTOR COMPANY LIMITED

[Our Company was incorporated as a private limited company under the Companies Act, 1956 by the name "Kabirdass Motor Company Private Limited" on November 23, 2006. Consequent to the conversion into public limited company, the name of our Company was changed to "Kabirdass Motor Company Limited" vide fresh certificate of incorporation granted by the Registrar of Companies, Tamil Nadu, Chennai ("RoC") on November 07, 2008. For further details in this regard, see section titled "History and Corporate Structure" on page 95.]

Registered Office: Best Cast House, No. 16, Poonamallee High Road, Velappanchavadi, Chennai- 600 077, Tamil Nadu, India.

Tel. No.: +91 44 2680 0988; **Fax No.:** +91 44 2680 1218

Compliance Officer: Mr. Balasubramanian Muthukumar, **E-mail:** ipo@kabirdass.com, **Website:** www.kabirdass.com

PROMOTERS OF OUR COMPANY: Mr. Murali Kabirdass, Mrs. Haripriya Murali and M/s. Best Cast IT Limited

PUBLIC ISSUE OF UPTO [●] EQUITY SHARES OF FACE VALUE OF RS. 10 EACH ("EQUITY SHARES") OF KABIRDASS MOTOR COMPANY LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE, AGGREGATING UPTO RS. 7,800 LAKHS (THE "ISSUE"). THE ISSUE SHALL CONSTITUTE [●] % OF THE FULLY DILUTED POST-ISSUE PAID UP CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED AT LEAST TWO WORKING DAYS PRIOR TO THE DAY THE BID/ISSUE OPENS.

In case of any revision in the Price Band, the Bid/Issue Period shall be extended for three additional Working Days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Self Certified Syndicate Banks ("SCSBs"), the Bombay Stock Exchange Limited (the "BSE") and National Stock Exchange of India Limited (the "NSE"), by issuing a press release and also by indicating the change on the website of the Book Running Lead Manager and at the terminals of the other members of the Syndicate.

The Issue is being made through the Book Building Process in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI Regulations"), wherein at least 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"). Our Company may, in consultation with the Book Running Lead Manager, allocate upto 30% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to QIBs in proportion to their Bids. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price. If at least 50% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. All Investors other than Anchor Investors may participate in this Issue through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amounts will be blocked by the SCSBs. Specific attention is invited to chapter titled "Issue Procedure" on page 181.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Issuer, there is no formal market for the Equity Shares. The face value of the Equity Shares is Rs. 10 each and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value. The Issue Price (as determined and justified by our Company in consultation with the Book Running Lead Manager), as stated in chapter titled "Basis for Issue Price" on page 67 should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares 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 entire 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 the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. **Specific attention of the investors is invited to the Statement of Risk Factors given under section titled "Risks Factors" on page 12.**

ISSUER'S ABSOLUTE RESPONSIBILITY

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

IPO GRADING

Our Company has been graded by [●] as [●], indicating [●]. For details, please see 'General Information' on page 34 of this Draft Red Herring Prospectus.

LISTING ARRANGEMENT

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

BOOK RUNNING LEAD MANAGER



Karn Merchant Bankers Limited

EC-41, Sector- 1, Salt Lake City, Kolkata- 700 064.

Tel. No.: +91 33 2334 3922/ 23

Fax No.: +91 33 2334 3924

Email: kmcl.ipo@karnbanker.com

Website: www.karnbanker.com

Contact Person: Mr. Karn Vats

SEBI Registration No.: INM 000011153

REGISTRAR TO THE ISSUE



Cameo Corporate Services Ltd.

Subramanian Building, # 1, Club House Road, Chennai -600 002.

Tel. No.: +91 44 2846 0390 (5 Lines)

Fax No.: +91 44 2846 0129

E-mail: kabirdass@cameoindia.com

Website: www.cameoindia.com

Contact Person: Mr. R.D. Ramasamy

SEBI Registration No.: INR 000003753

BID / ISSUE PROGRAM

BID/ISSUE OPENS ON: [●]*

BID/ISSUE CLOSES ON: [●]

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

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SECTION I - DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise requires, in this Draft Red Herring Prospectus, all references to “we”, “us”, “our”, “our Company”, “the Company” are to Kabirdass Motor Company Limited.

Company Related Terms

Term	Description
Articles/ Articles of Association	Articles of Association of our Company
Auditor	The statutory auditor of our Company, being M.A. Suryanarayanan & Co., Chartered Accountants
Board/Board of Directors	Board of Directors of our company including a duly constituted committee thereof
Directors	Directors of Kabirdass Motor Company Limited, unless otherwise specified
Group Companies	Companies, firms and ventures etc. promoted by our Promoters, irrespective of whether such entities are covered under Section 370(1)(B) of the Companies Act or not and disclosed in chapter titled “Promoters and Group Companies” beginning on page 113 of this Draft Red Herring Prospectus.
Management Personnel	Those individuals described in “Our Management” on page 103 of this Draft Red Herring Prospectus
Memorandum/ Memorandum of Association	Memorandum of Association of our Company
Promoter Group	Companies, individuals and entities (other than companies) as defined under Regulation 2 sub-regulation (1) (zb) of the SEBI ICDR Regulations and disclosed in chapter titled “Promoters and Group Companies” beginning on page 113 of this Draft Red Herring Prospectus.
Promoter(s)	The Promoters of our Company namely, Mr. Murali Kabirdass, Mrs. Haripriya Murali and Best Cast IT Limited
Registered Office of our Company	Best Cast House, No. 16, Poonamallee High Road, Velappanchavadi, Chennai-600 077, Tamil Nadu, India.

Issue Related Terms

Term	Description
AI CAN/Anchor Investor Confirmation of Allocation Note	The note or advice or intimation of allocation of the Equity Shares sent to the Anchor Investors who have been allocated Equity Shares after discovery of the Anchor Investor Allocation Price, including any revisions thereof.
Allotment/ Allotment of Equity Shares	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue.
Allottee	A successful Bidder to whom the Equity Shares are allotted
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated in terms of the Red Herring Prospectus and Prospectus to the Anchor Investors, which will be decided by our Company in consultation with the BRLM prior to the Bid/Issue Opening Date.
Anchor Investor Bidding Date	The date one day prior to the Bid/Issue Opening Date prior to or after which the Syndicate will not accept any Bids from Anchor Investors.
Anchor Investor Issue Price	The price at which Allotment will be made to Anchor Investors in terms of the Prospectus, which shall be higher than or equal to the Issue Price, but not higher than the Cap Price.
Anchor Investor Pay-in Date	In case of Anchor Investor Issue Price being higher than Anchor Investor Allocation Price, no later than two days after the Bid/Issue Closing Date.
Anchor Investor Portion	The portion of the Issue available for allocation to Anchor Investors on a discretionary basis at the Anchor Investor Allocation Price, in accordance with the SEBI Regulations, being upto 30% of the QIB

Term	Description
	Portion or upto [●] Equity Shares.
Anchor Investors	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, who has Bid for an amount of at least Rs. 1,000 Lakhs.
ASBA Form	<p>The form, whether physical or electronic, used by an ASBA Bidder to submit a Bid through a Self Certified Syndicate Bank which contains an authorization to block the Bid Amount in an ASBA Account and would be considered as an application for Allotment to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus</p> <p>Pursuant to SEBI circular number CIR/CFD/DIL/7/2010 dated July 13, 2010, ASBA Bid cum Application Forms are available for download from the websites of the Stock Exchanges.</p>
ASBA Investor	An Investor who intends to apply through ASBA process and is applying through blocking of funds in a bank account with the SCSB.
ASBA Revision Form	<p>The form used by the ASBA Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their ASBA Bid cum Application Forms or any previous ASBA Revision Form(s)</p> <p>Pursuant to SEBI circular number CIR/CFD/DIL/7/2010 dated July 13, 2010, ASBA Revision Forms are available for download from the websites of the Stock Exchanges.</p>
ASBA/ Application Supported by Blocked Amount	An application whether physical or electronic, used by all Bidders to make a Bid authorising a SCSB, either directly or through the Syndicate Members, to block the Bid Amount in their specified bank account maintained with the SCSB.
Banker(s) to the Issue	The banks which are clearing members and registered with SEBI, in this case being [●]
Basis of Allotment	The basis on which Equity Shares will be Allotted to Bidders under the Issue and which is described in “Issue Procedure” on page 181 of this Draft Red Herring Prospectus.
Bid	<p>An indication to make an offer during the Bid/ Issue Period by a Bidder, or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe to the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto.</p> <p>For the purpose of ASBA Bidders, it means an indication to make an offer during the Bidding/ Issue Period by an ASBA Bidder pursuant to the submission of ASBA Bid cum Application Form to subscribe to the Equity Shares.</p>
Bid /Issue Opening Date	Except in relation to Anchor Investor, the date on which the members of the Syndicate and the SCSBs will start accepting Bids for the Issue, which shall be the date notified in a widely circulated English national daily newspaper, a Hindi national daily newspaper and a regional newspaper, where the Registered Office of our Company is situated, each with wide circulation.
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of the Bid in the Issue
Bid cum Application Form	The form used by a Bidder to make a Bid and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
Bid/Issue Closing Date	Except in relation to Anchor Investor, the date after which the members of the Syndicate will not accept any Bids for the Issue, which shall be the date notified in an English national daily newspaper, a Hindi national daily newspaper and a regional newspaper where the Registered Office of our Company is situated, each with wide circulation.

Term	Description
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form
Bidding/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids, including any revisions thereof
Book Building Process/ Method	Book building route as provided in Schedule XI of the SEBI ICDR Regulations, 2009, in terms of which this Issue is being made.
BRLM/Book Running Lead Manager	Book Running Lead Manager to this Issue, in this case being Karn Merchant Bankers Limited.
CAN/Confirmation of Allocation Note	<p>The note or advice or intimation of Allocation of Equity Shares sent to the successful Bidders who have been Allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process, including any revisions thereof</p> <p>In relation to Anchor Investors, the note or advice or intimation of allocation of Equity Shares sent to the successful Anchor Investors who have been allocated Equity Shares after discovery of the Anchor Investor Issue Price, including any revisions thereof.</p>
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted
Controlling Branches	Such branches of the SCSBs which co-ordinate Bids under this Issue by the ASBA Bidders with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Cut-off Price	<p>Any price within the Price Band finalised by our Company in consultation with the Book Running Lead Manager. A Bid submitted at Cut-Off Price is a valid price at all levels within the Price Band.</p> <p>Only Retail Individual Bidders are entitled to Bid at the Cut-off Price, for a Bid Amount not exceeding Rs. 2,00,000. No other category of Bidders are entitled to Bid at the Cut-off Price</p>
Demographic Details	Details including address, Bidders bank account details, MICR code and occupation.
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time
Depository Participant	A depository participant as defined under the Depositories Act
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms and a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which funds are transferred from the Escrow Account to the Issue Account or the Refund Account, as appropriate, or the amount blocked by the SCSB is transferred from the bank account of the ASBA Bidder to the Issue Account after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders
Designated Stock Exchange	Bombay Stock Exchange Limited
DP ID	Depository Participant's Identity
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not contain complete particulars of the price at which the Equity Shares are issued and the number of equity shares on offer.
Equity Shares	Equity shares of our Company of Rs. 10 each unless otherwise specified
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder (except ASBA Bidder) will issue cheques or drafts in respect of the Bid Amount when submitting a

Term	Description
	Bid
Escrow Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the Book Running Lead Manager, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders on the terms and conditions thereof
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account will be opened
ESOS/ESPS	Employee Stock Option Scheme/Employee Stock Purchase Scheme
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form or the ASBA Bid cum Application Form or ASBA Revision Form
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalised and below which no Bids will be accepted
Indian National	As used in the context of a citizen of India's defined under the Indian Citizenship Act, 1955, as amended, who is not a NRI
Issue	The public issue of [●] Equity Shares of Rs. 10 each for cash at a price of Rs. [●] each aggregating to Rs. 7,800 Lakhs
Issue Price	The final price at which Equity Shares will be issued and allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date
Issue Proceeds	The proceeds of the Issue that are available to our Company
KMBL	Karn Merchant Bankers Limited
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Fund Portion	5% of the Net QIB Portion or [●] Equity Shares available for allocation to Mutual Funds, out of the Net QIB Portion
Net Proceeds	The Issue Proceeds less the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses see "Objects of the Issue" on page 55 of this Draft Red Herring Prospectus
Net QIB Portion	The portion of the QIB Portion, less the number of Equity Shares Allotted to the Anchor Investors
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India.
Non-Institutional Bidders	All Bidders who are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 2.00 Lakhs (but not including NRI's other than eligible NRI's)
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue consisting of [●] Equity Shares of Rs. 10/- each available for allocation to Non-Institutional Bidders
NR / Non-Resident	A "person resident outside India", as defined under FEMA including eligible NRIs and FIIs.
NRI(s) / Non-Resident Indian	A "person resident outside India", as defined under FEMA and who is a citizen of India or is a person of Indian origin (as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended).
OCB(s) / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trust in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Deposit) Regulations, 2000.
Pay-in Date	Bid Closing Date or the last date specified in the CAN sent to Bidders, as applicable
Pay-in-Period	With respect to Anchor Investors, it shall be the Anchor Investor Bid/ Issue Period. If the price fixed as a result of Book Building is higher than the price at which the allocation is made to Anchor Investor, the Anchor Investor shall bring in the additional amount. For Bidder other

Term	Description
	than Anchor Investors, it means the period commencing on the Bid/Issue Opening Date and extending until the Bid/Issue Closing Date;
Peer Reviewed Auditor	M/s. Raghu & Murali, holding a Peer Review Certificate issued by the Institute of Chartered Accountants of India, New Delhi.
Price Band	Price band of a minimum price (floor of the price band) of Rs. [●] and the maximum price (cap of the price band) of Rs. [●] and includes revisions thereof
Pricing Date	The date on which our Company in consultation with the Book Running Lead Manager finalizes the Issue Price
Project	Expansion of our existing facilities and setting up of new manufacturing unit for manufacturing of spare parts of electric scooters.
Prospectus	The Prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act, containing, inter alia, the Issue Price that is determined at the end of the Book Building process, the size of the Issue and certain other information
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account and from the SCSBs from the Bank Accounts of the ASBA Bidders on the Designated Date
QIB Portion	The portion of the Issue being at least 50% of the Issue consisting of [●] Equity Shares of Rs. 10/- each to be allotted to QIBs
Qualified Institutional Buyers or QIBs	As defined under the SEBI ICDR Regulations and includes public financial institutions (defined under Section 4A of the Companies Act), FIIs and sub-accounts registered with SEBI (other than a sub-account which is a foreign corporate or foreign individual), scheduled commercial banks, Mutual Funds, multilateral and bilateral development financial institutions, VCFs, FVCIs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of Rs. 2,500 Lakhs, pension funds with a minimum corpus of Rs. 2,500 Lakhs, the National Investment Fund set up by resolution number F.No.2/3/2005-DDII dated November 23, 2005 of the Government of India, insurance funds set up and managed by the army, navy and/or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.
Refund Account	The account opened with Escrow Collection Bank(s), from which refunds (excluding to the ASBA Bidders), if any, of the whole or part of the Bid Amount shall be made
Refund Banker	[●]
Refunds through electronic transfer of funds	Refunds through ECS, Direct Credit or RTGS as applicable
Registrar to the Issue	Registrar to the Issue, in this case being, Cameo Corporate Services Ltd.
Retail Individual Bidder(s)	Individual Bidders (including HUFs applying through their Karta and eligible NRI's) who have not Bid for Equity Shares for an amount more than Rs. 2.00 Lakhs in any of the bidding options in the Issue.
Retail Portion	The portion of the Issue being not less than 35% of the Issue consisting of [●] Equity Shares of Rs. 10/- each available for allocation to Retail Individual Bidder(s).
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s)
Self Certified Syndicate Bank (SCSB)	SCSB is a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994 and which offers the service of making Applications Supported by Blocked Amount and recognized as such by the Board
Stock Exchanges	Bombay Stock Exchange Limited and The National Stock Exchange of India Limited
Syndicate	The Book Running Lead Manager and the Syndicate Member(s)

Term	Description
Syndicate Agreement	The agreement to be entered into between the Syndicate and our Company in relation to the collection of Bids in this Issue
Syndicate Member	Intermediaries registered with the SEBI who are permitted to carry out activities as an underwriter, in this case being [●].
TRS/ Transaction Registration Slip	The slip or document issued by a member of the Syndicate to the Bidder as proof of registration of the Bid
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America.
Underwriters	The BRLM and the Syndicate Member
Underwriting Agreement	The agreement among the Underwriters and our Company to be entered into on or after the Pricing Date
Working Day(s) / Business Day(s)	All days other than a Sunday or a public holiday (except during the Bid/ Issue Period where a working day means all days other than a Saturday, Sunday or a public holiday), on which commercial banks in Chennai are open for business

General/ Conventional Terms/Abbreviations

TERM	DESCRIPTION
Admin	Administration
AGM	Annual General Meeting.
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
ASBA	Application Supported by Blocked Amounts.
BSE	Bombay Stock Exchange Limited.
CDSL	Central Depository Services (India) Limited.
Companies Act	The Companies Act, 1956, as amended from time to time.
CST	Central Sales Tax Act, 1956, as amended.
FCNR Account	Foreign Currency Non-Resident Account.
FDI	Foreign Direct Investment, as laid down in the Consolidated FDI Policy dated April 1, 2011.
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations framed there under.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
FII	Foreign Institutional Investors, as defined under the FII Regulations and registered with SEBI under applicable laws in India.
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.
Financial Year/ Fiscal/ FY	The period of twelve months ended March 31 of that particular year.
FVCI	Foreign venture capital investor registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended.
Gol/Government of India/ Central Government	The Government of India.
HUF	Hindu Undivided Family.
I T Act	The Income Tax Act, 1961, as amended from time to time.
I T Rules	The Income Tax Rules, 1962, as amended from time to time, except as stated otherwise.
Indian GAAP	Generally Accepted Accounting Principles in India.
Insurance Act	Insurance Act, 1938, as amended from time to time.
Lakhs	1,00,000 or 0.1 million
MICR	Magnetic Ink Character Recognition
NAV	Net Asset Value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of Profit and Loss account, divided by number of issued Equity Shares

TERM	DESCRIPTION
Non Resident	A person who is not resident in India except NRI's and FIIs.
NRE Account	Non-Resident External Account.
NRI	A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin, such term as defined under the Foreign Exchange Management (Deposit) Regulations, 2000.
NRO Account	Non-Resident Ordinary Account.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
Ops	Operations.
p.a.	Per annum.
P.O.	Post Office.
P/E Ratio	Price/Earnings Ratio.
PAN	Permanent Account Number allotted under the IT Act.
PLR	Prime Lending Rate.
Pvt.	Private.
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.
RoC	Registrar of Companies
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act.
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 and its amendments thereof.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time
SIA	Secretariat for Industrial Assistance
SICA	Sick Industrial Companies (Special Provisions) Act
Stock Exchange(s)	BSE and/ or NSE as the context may refer to
Sub-Account	Sub-accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporates or foreign individuals.
TAN	Tax deduction account number allotted the IT Act.
UIN	Unique Identification Number
USA	United States of America
USD	US Dollar
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996, as amended from time to time

Industry Related Terms

TERM	DESCRIPTION
AC	Alternating Current
Battery	An electrical battery is one or more electrochemical cells that convert stored chemical energy into electrical energy.
CAD	Computer Aided Design
CAM	Computer Aided Manufacturing
Controller	Central controlling unit of an electric two wheeler, which provides electric power to the motor, based on inputs from the accelerator.
DC	Direct Current
EV	Electric Vehicle
LEV	Light Electric Vehicle
SMEV	Society of Manufacturers of Electric Vehicles
Watts	Derived Unit of power in the International System of Units (SI)

SECTION II - GENERAL

PRESENTATION OF FINANCIAL INDUSTRY AND MARKET DATA

In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word "Lakh" or "Lakhs" means "one hundred thousand" and the word "Crore" means "ten million". In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

Throughout this Draft Red Herring Prospectus, all figures have been expressed in Lakhs unless otherwise stated. All references to "India" contained in this Draft Red Herring Prospectus are to the Republic of India.

For additional definitions used in this Draft Red Herring Prospectus, see the section "Definitions and Abbreviations" on page 3 of this Draft Red Herring Prospectus. In the section entitled "Main Provisions of the Articles of Association" on page 210 of this Draft Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles of Association of our Company. Industry data used throughout this Draft Red Herring Prospectus has been obtained from industry publications and other authenticated published data. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

Financial Information

Unless stated otherwise, the financial data in the Draft Red Herring Prospectus is derived from our audited standalone financial statement for the Fiscals 2007, 2008, 2009 and 2010 and for the nine month period ended December 31, 2010 prepared in accordance with Indian GAAP and the Companies Act, and restated in accordance with the SEBI ICDR Regulations and Indian GAAP which are included in the Draft Red Herring Prospectus, and set out in "Financial Statements" on page 121. Our Fiscal commences on April 1 and ends on March 31 of the next year.

Currency of Presentation

In this Draft Red Herring Prospectus, all references to "Rupees" and "Rs." are to the legal currency of India.

FORWARD LOOKING STATEMENTS

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

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

- General economic and business conditions in the markets in which our Company operates and in the local, regional and national and international economies;
- Changes in laws and regulations relating to the industry in which our Company operates;
- Increased competition in these industries;
- The nature of our contracts with our customers which contain inherent risks and contain certain provisions which, if exercised, could result in lower future income and negatively affect our profitability;
- Unanticipated variations in the duration, size and scope of the projects;
- Changes in political and social conditions in India or in other countries that our Company may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;

For further discussion of factors that could cause our actual results to differ from our expectations, see the sections/chapters titled “Risk Factors”, “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 12, 82 and 147, respectively, of this Draft Red Herring Prospectus. Neither our Company nor any of the Underwriters nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof. In accordance with SEBI requirements, our Company and the Book Running Lead Manager will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION III – RISK FACTORS

An investment in equity shares involves a high degree of risk. You should consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. If any of the following risks or any of the other risks and uncertainties discussed in this Draft Red Herring Prospectus actually occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. These risks and uncertainties are not the only issues that we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effect of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this Issue, including the merits and risks involved.

Unless otherwise stated, the financial information of our Company used in this section is derived from our audited financial statements under Indian GAAP, as restated.

Internal Risk factors

1. *The company is a party to certain legal proceedings that, if decided against the company , could have an effect on the , business prospects and results of operations of the company*

Our Company is party to certain legal proceedings. These legal proceedings are in the nature of consumer cases and tax cases pending at different levels of adjudication before various consumer redressal forums and courts. No assurances can be given as to whether these proceedings will be settled in our favour or against us. If a claim is determined against us and we are required to pay all or a portion of the disputed amount, it could have an adverse effect on our results of operations and cash flows.

Particulars	No. of Cases/Disputes	Approximate amount involved wherever quantifiable (Rs. In Lakhs)
<i>Against the Company</i>		
Consumer related cases	4	2,51,962
Tax related cases	4	41,14,835

For further details, please see section titled “Legal and Other Information” on page 157 of this Draft Red Herring Prospectus.

2. *We require certain approvals and licenses and the failure to obtain or renew them in a timely manner may adversely affect our operations.*

We require certain approvals, licenses, registrations and permissions for operating our business, some of which may have expired and for which we may have either made or are in the process of making an application for obtaining the approval or its renewal. For example, an application bearing No. 1513228 has been made for registering the “XITE” (logo) under Class 12 for motorcycle with the Trade Marks Registry on December 14, 2006. The registration is yet to be received. There can be no assurance that our application will be accepted and the logo will be registered. Further, our application for the registration may be opposed by the third party, and we may have to incur significant cost and spend time in litigations in relation to these oppositions. For further details, please refer to “Government and Other Approvals” on page 160 of this Draft Red Herring Prospectus. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, our business may be adversely affected. If we fail to comply or a regulator claims that we have not complied with these conditions, our business, prospects, financial condition and results of operations may be adversely affected.

3. *The company had entered into a Convertible Debenture Subscription Agreement dated June 03, 2008 and into an Amendment to Convertible Debenture Subscription Agreement dated March 31, 2010, with Bennett Coleman and Co. Ltd., (BCCL) engaged in media business, subsequently, the debentures held by BCCL have been converted into equity shares, with BCCL being allotted 39,09,375 equity share forming 28.11% of the present paid up capital of the company at a price of Rs. 32 per share (including premium of Rs. 22) on May 31, 2010 . There are certain rights of BCCL/restrictive covenants in terms of the agreement, some of which are listed below. For detailed information on the terms of the agreement and its amendment please refer to the section titled “History and Corporate Structure” on page 95 of this DRHP.*

- (a) BCCL is entitled to anti-dilution rights, except in relation to issue of shares pursuant to an ESOP, in the event the Company issues any further Shares, including in the event of a merger or amalgamation of another entity (“fresh offering”) at any point of time prior to the completion of the IPO and the present price of the fresh offering is lower than the Conversion Price. BCCL is entitled to be issued such number of additional shares forming a part of the fresh offering such that weighted average price of the BCCL Shares and the Shares acquired by BCCL at the Fresh Offering shall be equal to the present price paid for the shares issued at the fresh offering by another person. Further in the event the Company is unable to offer the shares to BCCL for no additional consideration, the Promoters shall, jointly and severally, sell such number of shares held by the Promoter at no additional consideration to BCCL, such that the weighted average price of the BCCL shares and the shares acquired by BCCL from the Promoters in the manner indicated herein shall be equal to the present price paid for the shares issued at the fresh offering by another person.
- (b) In the event any of the Promoters sell or otherwise dispose their shares in the Company, BCCL has the right to tag-along its shares prorata and further in the event as result of the proposed sale by the Promoters, their shareholding in the Company falls below 51%, BCCL is entitle to tagalong its entire shareholding in the Company.
- (c) BCCL has a put option in the event the IPO of the Company is not concluded within 5 years to require the Promoters to purchase all or any portion of its shares at the Sale Price. The Sale Price is defined to mean the amount equivalent to the Earning per Share * P/E multiple. The Earning per Share shall be based on the auditing financial accounts for the financial year immediately preceding the exercise of the Put Option).
- (d) The CDS Agreement provides that the prior written consent of BCCL is required for the following:
 - a. To merge with any other company, or to demerge any division or to restructure in any manner.
 - b. For the Promoters to transfer any part of the shares in the Company, except in case of inter se transfer between the Promoters.
 - c. To sell, license, assign or in manner part with all or a part of the rights to any of the brands owned by the Company or acquired by the Company in future.

4. Restrictive Covenants of the Loan agreement

The Company has availed credit facilities aggregating to Rs. 100.00 Lakhs from Axis Bank, SME Centre, Chennai vide their letter dated March 25, 2011. There are certain restrictive covenants in the sanction letter for the working capital loan, which require the Company to obtain the approval of the lender or provide restrictions, namely for, permission for expansion, change in capital structure, change in management, disposal of assets, declaring dividends at a time while the Company is in default, undertaking material diversification in the business etc. Although we have received consents from our lender for the Issue, these restrictive covenants may affect some of the rights of our shareholders. For details of these restrictive covenants, see section titled “Financial Indebtedness” on page 144.

5. Products of the company are yet to create clear market base, resulting in frequent change/ alterations in their product models which increase their fixed asset cost.

Presently the company manufactures and markets its products on a small scale on a test market basis. The products of the company are yet to create a clear market base. There may be alterations in the models of scooters that are manufactured by the company. These alterations may lead to an alteration in the requirement of plant and machinery which may increase the fixed asset cost of the company.

6. The Company does not own the premises from where the present operations of the company are being carried on.

The company is carrying its present operations from the premises of its Registered Office only. The registered office of the company is at Best Cast House, No. 16, Poonamallee High Road, Velappanchavadi, Chennai – 600 077. This premise is not owned by the company and the same has been taken on lease. The present term of lease as stated in letter no. KMCL/legal/2009-10 dated August 1, 2009 is for a period 4 years from 23/08/2009 to 22/07/2013. In the event we are required to vacate the premises, we will have to shift to a new premise at short notice. This may lead to a temporary loss of production and will in turn affect the operations and profitability of the company.

7. The company has experienced negative cash flow from operations and from financing activities. Any negative cash flows in future could affect the results of operations and financial conditions.

For the financial years ending on March 31, 2007, 2008 and 2009, the Company had a negative cash flow from operations to the tune of Rs. 223.29 Lakhs, Rs. 444.00 Lakhs and Rs. 2,058.30 Lakhs respectively. This was due to the fact that the Company started the operations in 2007-08 which accounted for increase in current assets, apportioning/ charging off a portion of preliminary expenses, interest on cash credit facilities charged to expenses and increase in fixed assets on installation of plant and machinery. The Company has also seen negative cash flow from financing activities also for the 9 months period ended December 31, 2011 to the tune of Rs. 535.29 Lakhs which is primarily due to repayment of unsecured loan to the tune of Rs. 1,785.79 Lakhs. Any negative cash flows in future could affect the results of operations and financial conditions.

8. Loss Making Group Company

The losses made by the Group Companies during one or more of the last three financial years are as given below:

(Rs. In Lakhs)

Name of the Company	Amount of Loss		
	March 31, 2010	March 31, 2009	March 31, 2008
Kabirdass Aluminium Ltd.	9.44	-	-
Shareway Securities Limited	80.93	27.65	-

9. The Company has failed to utilize the installed capacity of its existing manufacturing facility.

The installed capacity of the Company's existing manufacturing facility is 40,500 units per year (taking 135 units per day on an average and 300 working days in a year). However, the Company has failed to utilize its installed capacity. Given below is a table depicting the details of installed capacity, yearly production and capacity utilization (in %).

Financial Year	Installed Capacity (In Units)	Production (In Units)	Utilization (In %)
2007-08	40,500	1,247	3.08
2008-09	40,500	897	2.21
2009-10	40,500	913	2.25
2010-11	40,500	420	1.04

10. Our success largely depends on our key managerial personnel and our ability to attract and retain them. Any loss of our key managerial personnel could adversely affect our business, operations and financial condition.

We depend significantly on the expertise, experience and continued efforts of our key managerial personnel. If one or more members of our key managerial personnel are unable or unwilling to continue in his/her present position, it could be difficult to find a replacement, and business could thereby be adversely affected. Competition for key managerial personnel in our industry is intense and it is possible that we may not be able to retain our existing key managerial personnel or may fail to attract/ retain new employees at equivalent positions in the future. As such, loss of key managerial personnel could adversely affect our business, results of

operations and financial condition.

11. Change in technology may affect our business and financial condition.

Change in industry requirements or competitive technologies may render our existing technologies obsolete. Our ability to adhere to technological changes and standards and to develop/introduce new and enhanced products successfully and on timely basis will play a significant factor in our ability to grow and to remain competitive. We, however, cannot assure you that we will be able to adhere to such technological changes on timely basis and that some of our technologies might not become obsolete. We are also subject to risks generally associated with the introduction of new products and their applications, including lack of market acceptance, delay in product development and failure of products to operate properly. Our failure to anticipate or to respond adequately to changing technical, market demands and/or client requirements could adversely affect our business and financial results.

12. The loss of or shutdown of operations at our production facilities may have a material adverse effect on our business, financial condition and results of operations.

The breakdown or failure of our equipments and/ or civil structure can disrupt our production schedules, resulting in performance being below expected levels. In addition, the development or operation of our facilities may be disrupted for reasons that are beyond our control, including explosions, fires, earthquakes and other natural disasters, breakdown, failure or sub-standard performance of equipment, improper installation or operation of equipment, accidents, operational problems, transportation interruptions and other environmental risks. Our machineries may be susceptible to malfunction. If such events occur, the ability of our facilities to meet production targets may be adversely affected which may affect our business, financial condition and results of operations.

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

We are unable to assure you that we will not experience disruptions to our operations due to disputes or other problems with our work force, which may lead to strikes, lock - outs or increased wage demands. Such issues could have an adverse effect on our business, and results of operations.

14. We have entered and may continue to enter into certain related party transactions.

Our Company has entered into transactions with several related parties, including Promoter and Group Companies. There can be no assurance that our Company could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that our Company will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our Company's financial condition and results of operations. For more information regarding our related party transactions, please see "Financial Statements" on page 121.

Risks relating to the objects of the Issue

15. This is the second time we are filing a Draft Red Herring Prospectus (DRHP) for the Issue of our Equity Shares.

This is the second time when the Company is filing a Draft Red Herring Prospectus for the Initial Public Offer (IPO) of its Equity Shares.

Earlier, the Company having appointed Keynote Corporate Services Limited as the book runner for the listing of its shares, had filed a draft offer document dated April 27, 2009 with SEBI as per the SEBI DIP Guidelines, 2000. Pursuant to this, the Company got in-principle approval for listing of its shares from BSE and NSE vide letter no. DCS/IPO/SI/IPO-IP/113/2009-10 dated May 20, 2009 and letter no. NSE/LIST/124312-T dated November 26, 2009 respectively. The Company got its final observation with respect to the draft offer document from SEBI vide letter no. CFD/DIL/ISSUE/SP/VB/197746/2010 dated March 09, 2010.

Subsequently, there was a non consensus over the pricing of the issue between the Company and the book runner (Keynote Corporate Services Limited). Hence the company requested the book runner (Keynote Corporate Services Limited) vide letter no. Keynote/ SEBI/ 2010-11 dated September 22, 2010 to issue a "No

Objection Certificate” for the appointment of another Merchant Banker, Karn Merchant Bankers Limited to act as the Book Running Lead Manager (BRLM) to the proposed Issue.

Keynote Corporate Services Limited withdrew their name as book runner to the Issue by issuing a “No Objection Certificate” vide letter no. Kabirdass/ Let/ Rk (29) dated September 23, 2010 to the Company. The Company then appointed Karn Merchant Bankers Limited as the Book Running Lead Manager (BRLM) to the Issue vide letter no. KMC/KMBL/2010-11 dated September 24, 2010.

Subsequently, Keynote Corporate Services Limited sent the confirmation of the withdrawal of their services as the book runner to the Issue of our Company and no objection to the appointment of Karn Merchant Bankers Limited as BRLM, to SEBI (marking a copy to us and the Stock Exchanges) vide letter no. Kabirdass/ Let/ Lv (51). Keynote Corporate Services Limited, also sent an explanation for the withdrawal of their services as book runner to SEBI vide letter no. Kabirdass/ Let/ Rk (52) dated October 22, 2010.

SEBI has vide letter no. CFD/DIL/ISSUE/SP/VB/30202/2010 dated December 16, 2010 issued observation to Karn Merchant Bankers Limited, BRLM to the Issue to carry out the due diligence afresh and submit fresh draft offer document in accordance with SEBI (ICDR) Regulations 2009.

16. The Company is yet to place orders for the Plant & Machinery.

The total cost of plants & machinery as per the cost of the Project is Rs. 4,002.00 Lakhs. The Company is yet to place orders for the entire plant and machinery. We are subject to the risks on account of inflation in the price of machinery and other equipment that we require for the Project. The details regarding the plant and machinery to be purchased for the proposed Project have been given on page 57 of this Draft Red Herring Prospectus. Since no orders have been placed as on date, the Company has not entered into any agreement to safeguard against price escalation of the required plants & machinery. These factors may increase the overall cost of our Project and have an adverse effect on our business and results of operations.

17. We are yet to initiate the process of recruiting the manpower required for the proposed Project and any delay in recruiting the suitable personnel or the required number of people to operate the plants effectively may result in time and cost overruns.

We are yet to recruit the requisite manpower required to undertake and execute our operations at our proposed manufacturing facility at Palnallur Village, adjacent to SIPCOT Industrial Park at Sriperumbudur near Chennai. In the event we are unable to recruit the suitable personnel or the required number of people to operate the plants effectively and in time, we may face time and cost overruns, which may have an adverse effect on our business and results of operations.

18. The proceeds of the Issue and our internal accruals may be inadequate to meet the objects of the Issue and our Company may not be able to raise additional capital to fund the project costs which shall adversely affect our business and results of operations

The proceeds of the Issue are expected to meet the cost of expansion of our existing facilities and for setting up of new manufacturing unit for manufacturing of spare parts of electric scooters and also to meet the incremental Long Term Working Capital requirements. There can be no assurance that the Net Proceeds of the Issue and our internal accruals will be adequate to finance the Project, as has been disclosed in “Objects of the Issue” on page 55 of this Draft Red Herring Prospectus. Moreover, we have not made any alternate arrangement to fulfil the aforesaid requirement of funds for the proposed Project. Any delay in raising the funds from this Issue may adversely affect the implementation of the Project and financial performance of our Company.

19. In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of our Project which would in turn affect the revenues and results of operations of our Company.

The funds that our Company receives pursuant to the placement of the Issue portion would be utilized for the objects as has been stated in the section titled “Objects of the Issue” on page 55 of this Draft Red Herring Prospectus. The proposed schedule of implementation of our Project is based on our management’s estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may face time and cost overruns and this may affect our revenues and results of operations.

20. *The completion of the Project is dependent on performance of external agencies. Any shortfall in the performance of these external agencies may adversely affect our expansion plans and consequently, our results of operation.*

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

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

The objects of the Issue have not been appraised by any bank or financial institution. The estimate of costs is based on quotations received from vendors and management estimates. Though these quotes/ estimates have been taken recently, they are subject to change and may result in cost escalation. The requirement of working capital has been determined based on our Company's estimates with respect to the proposed expansion plans. Any change or cost escalation can significantly increase the cost of the Project.

22. *The Company has not entered into any agreement for the purchase of land for setting up the proposed project. There will be consequential risk, such as increase in cost of the Project if the company delays in the acquisition of the land.*

The Company proposes to invest Rs. 1,400 Lakhs out of the Issue proceeds for acquisition of land, for details please refer "Objects of the Issue" beginning on page 55 of this Draft Red Herring Prospectus. The land for the project has been identified at Palnallur Village, Sriperumbudur, next to Sipcot Industrial Estate, Chennai. The Company has not yet entered into any agreement for the purchase of the land and any delay in acquisition of the land may have an adverse impact on the expansion plans.

23. *We have not entered into any definitive agreements to monitor the utilization of the Issue proceeds.*

The deployment of funds as stated in the "Objects of the Issue" beginning on page 55 of this Draft Red Herring Prospectus is entirely at our discretion and is not subject to monitoring by any independent agency. We have not entered into any definitive agreements to utilise a portion of the Issue proceeds. There has been no independent appraisal of the Project. All the figures included under the section titled "Objects of the Issue" beginning on page 55 of this Draft Red Herring Prospectus are based on our own estimates. In the event, for whatsoever reason, we are unable to execute our plans to set up the Project, we could have a significant amount of unallocated net proceeds. In such a situation, we would have broad discretion in allocating these net proceeds from the Issue without any action or approval of our shareholders. Due to the number and variability of factors that we will analyze before we determine how to use these un-utilised net proceeds, we presently cannot determine how we would reallocate such proceeds. Accordingly, investors will not have the opportunity to evaluate the economic, financial and other relevant information that will be considered by us in the determination on the application of any such net proceeds in these circumstances.

24. *Under-utilisation of our proposed expanded capacities may adversely impact our financial performance*

We propose to expand our production capacities based on our estimates of market demand and profitability. In the event of non-materialisation of our estimates and expected order flow for our products, due to factors including adverse economic scenario, change in demand or for any other reason, our capacities may not be fully utilised thereby adversely impacting our financial performance.

25. *We avail certain tax benefits under Income Tax Act, 1961. These tax benefits are available for a definite period of time, which upon expiry or if withdrawn prematurely, may adversely affect our financial condition and results of operations.*

For details in relation to the nature of benefits enjoyed by us, see the section titled "Statement of Tax Benefits" on page 69.

Our profitability will be affected to the extent that such benefits shall not be available beyond the period

currently contemplated in the relevant notifications/ circulars. Our profitability may be further affected in the future if any of the above mentioned benefits are reduced or withdrawn prior to the respective periods mentioned therein or if we are subject to any disagreements from tax authorities with respect to our application of tax exemptions. There is no assurance that we will continue to enjoy such tax benefits in the future. Any adverse change in Indian tax regulations or policy may result in us losing such benefits and our business, financial condition and results of operations may be adversely affected as a result.

26. We have significant working capital requirements and our inability to meet our working capital requirements may have an adverse effect on our results of operations.

Our business requires a significant amount of working capital. Our working capital requirements may increase if credit period against sales is increased or there is a requirement to pay higher price for raw material or to pay excessive advances for procurement of raw materials. All of these factors may result in increase in our short-term borrowings. In the event we are required to repay any working capital facilities upon receipt of a demand from any lender, we may be unable to meet our working capital requirements.

If we are unable to provide sufficient collateral to secure letters of credit, our ability to enter into new sale contracts or obtain adequate supplies could be limited. There can be no assurance that we will continue to be successful in arranging adequate working capital for our existing or expanded operations on acceptable terms or at all, which could adversely affect our financial condition and results of operations.

Moreover, our existing cash, cash generated from operations and funds available under our credit agreements may be insufficient to fund our future operations, including capital expenditures or to repay debt when it becomes due, and as a result, we may need to raise additional funds through public or private equity or debt financing, including funding from governmental sources, which may not be possible. The sale of additional equity securities could result in significant dilution to our shareholders, and the securities issued in future financings may have rights, preferences and privileges that are senior to those of our common stock. The incurrence of additional indebtedness would result in increased debt service obligations and could result in operating and financing covenants that may restrict our operations. Financing may be unavailable in amounts or on terms acceptable to us, or at all, which could have a material adverse impact on our business.

27. Our Promoters have significant control over us, and have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder.

As on date, our Promoters, together with the members of the Promoter Group, own 71.89% of our pre-Issue paid up share capital. Our Promoters, together with the members of the Promoter Group, will continue to hold significant control post completion of the Issue. The Promoters have the ability to control our business, including matters relating to any sale of all or substantially all of our assets, timing and distribution of dividends, election of our officers and directors and change of control transactions. Promoter's control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it is in our Company's best interest. Promoters and members of the Promoter Group may influence the material policies of our Company in a manner that could conflict with the interests of our other shareholders.

28. We cannot assure you that we will pay dividend in future.

We have not paid any dividends in the last five financial years and there can be no assurance that dividends will be paid in future. The declaration of dividends in the future will be recommended by our Board of Directors, at its sole discretion, and will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will be able to pay dividend in the future. Further, we may be restricted by the terms of our debt financing from making dividend payments, in the event we default in any of the debt repayment instalments.

29. Our Company and our Group Company have unsecured loans which may be recalled by the relevant lenders at any time.

Our Company and our Group Company have availed unsecured loans. Unsecured loans are repayable on demand and may be recalled by the lenders at any time without notice, or with short notice, upon default or otherwise. If the lenders exercise their right to recall a loan, it could have a material adverse affect on the

financial position of our Company and Group Company.

30. The insurance coverage taken by our Company may not be adequate to protect against certain business risks.

Our Company maintains general liability insurance coverage in relation to its assets, stocks, properties etc. and to mitigate business risks. Our Company believes that its insurance coverage is generally consistent with industry practice. However, to the extent that any uninsured risks materialize or if it fails to effectively cover it for any risks, it could be exposed to substantial costs and losses that would adversely affect results of operations. In addition, our Company cannot be certain that the coverage will be available in sufficient amounts to cover one or more large claims, or that its insurers will not disclaim coverage as to any claims. Our Company has also not availed of key man insurance. A successful assertion of one or more large claims against our Company that exceeds its available insurance coverage or that leads to adverse changes in its insurance policies, including premium increases or the imposition of a large deductible or co-insurance requirement, could adversely affect our Company's results of operations.

31. Our Company has issued Equity Shares during the last one year at a price that may be below the Issue Price.

In the last one year, our Company has issued Equity Shares at a price that may be lower than the Issue Price, the details of which are as follows:

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Reasons for Allotment
May 31, 2010	39,09,375	10	32	Cash	Allotment of 39,09,375 equity shares to Bennett, Coleman & Co. Ltd.

The price at which the Equity Shares have been issued in the last one year is not indicative of the price at which Equity Shares may be offered in the Issue or at the price at which they will trade upon listing.

32. There is no existing market for our Equity Shares, and we do not know if one will develop. The price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price, or at all.

Prior to the Issue, there has been no public market for our Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Issue. The Issue Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Issue. The market price of the Equity Shares after the Issue may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions and environment towards developments relating to India and volatility in the BSE and the NSE and securities markets elsewhere in the world.

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

Under the SEBI ICDR Regulations, we are required to allot equity shares within 12 Working Days of the Bid/Issue Closing Date. You can start trading in the Equity Shares only after they have been credited to your demat account and listing and trading permissions are received from the Stock Exchanges. Our Equity Shares will be listed on the NSE and the BSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' book entry, or "demat", accounts with depository participants in India are expected to be credited within two Working Days of the date on which the basis of allotment is approved by Designated Stock Exchange. Thereafter trading in the Equity Shares is expected to commence within 12 Working Days of the Bid/Issue Closing Date. Further, there can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that the trading in Equity Shares will commence within the specified time periods.

34. There is no guarantee that the Equity Shares will be listed on the Stock Exchanges in a timely manner or at all.

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. Approval requires all relevant documents authorizing the issue of Equity Shares to be submitted to Stock Exchanges. There could be a failure or delay in listing the Equity Shares on the BSE and the NSE. In accordance with section 73 of the Companies Act, in the event that the permission of listing the Equity Shares is denied by the stock exchanges, we are required to refund all monies collected to investors. Any failure or delay in obtaining the approval could restrict your ability to dispose of your Equity Shares in a timely manner.

35. Any trading closures at the BSE and the NSE may adversely affect the trading price of our Equity Shares.

The BSE and the NSE have in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares, in both domestic and international markets. A closure of, or trading stoppage on, either of the BSE and the NSE could adversely affect the trading price of the Equity Shares.

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

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

37. Future issuances or sales of the Equity Shares could significantly affect the trading price of the Equity Shares.

The future issuances of Equity Shares by our Company or the disposal of Equity Shares by any of the major shareholders of our Company or the perception that such issuance or sales may occur may significantly affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares.

38. Significant differences exist between Indian GAAP and other accounting principles, such as IFRS, which may be material to investors' assessments of our financial condition.

Our financial statements, including the restated financial statements provided in this Draft Red Herring Prospectus, are prepared in accordance with Indian GAAP. US GAAP and IFRS differ in significant respects from Indian GAAP.

As a result, our standalone financial statements and reported earnings could be different from those which would be reported under IFRS or US GAAP. Such differences may be material. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Had the financial statements and other financial information been prepared in accordance with IFRS or US GAAP, the results of operations and financial position may have been materially different. Because differences exist between Indian GAAP and IFRS or US GAAP, the financial information in respect of our Company contained in this Draft Red Herring Prospectus may not be an effective means to compare us with other companies that prepare their financial information in accordance with IFRS or US GAAP. Any reliance

by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. In making an investment decision, investors must rely upon their own examination of our Company, the terms of this Issue and the financial information relating to our Company. Potential investors should consult their own professional advisers for an understanding of these differences between Indian GAAP and IFRS or US GAAP, and how such differences might affect the financial information contained herein.

External Risks Factors

39. Volatility in political, economic and social developments in India could adversely affect our business.

The central and state governments serve multiple roles in the Indian economy, including producers, consumers and regulators, which may have a significant influence on us. Economic liberalization policies have encouraged private investment in our industry and changes in these governmental policies could have a significant impact on the business and economic conditions in India, which in turn could adversely affect our business, future financial condition and results of operations.

40. Financial instability in Indian financial markets could adversely affect our results of operations and financial condition.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in other emerging market countries in Asia. Financial turmoil in global economy in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

41. Global economic conditions have been unprecedented and continue to have, an adverse effect on the global and Indian financial markets which may continue to have a material adverse effect on our business.

Recent global market and economic conditions have been unprecedented and challenging with tighter credit conditions and an economic recession has been witnessed in most major economies in 2009. Continued concerns about the systemic impact of potential long-term and wide-spread economic recession, energy costs, geopolitical issues, the availability and cost of credit, and the global housing and mortgage markets have contributed to increased market volatility and diminished expectations for western and emerging economies. These conditions, combined with volatile oil prices, declining business and consumer confidence and increased unemployment, have contributed to volatility of unprecedented levels.

As a result of these market conditions, the cost and availability of credit has been and may continue to be adversely affected by illiquid credit markets and wider credit spreads. Concern about the stability of the markets generally and the strength of counterparties specifically has led many lenders and institutional investors to reduce, and in some cases, cease to provide credit to businesses and consumers. These factors have led to a decrease in spending by businesses and consumers alike and corresponding decreases in global infrastructure spending and commodity prices. These market and economic conditions have an adverse effect on the global and Indian financial markets and may continue to have a material adverse effect on our business and financial performance, and may have an impact on the price of the Equity Shares.

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

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

43. *If regional hostilities, terrorist attacks or social unrest in India increase, our business could be adversely affected and the trading price of the Equity Shares could decrease.*

The Asian region has from time to time experienced instances of civil unrest, terrorist attacks and hostilities among neighbouring countries. Military activity or terrorist attacks in India in the future could influence the Indian economy by creating a greater perception that investments in Indian companies involve higher degrees of risk. These hostilities and tensions could lead to political or economic instability in India and a possible adverse effect on the Indian economy and our business and its future financial performance and the trading price of the Equity Shares.

Furthermore, India has also experienced social unrest in some parts of the country. If such tensions occur in other parts of the country, leading to overall political and economic instability, it could have an adverse effect on our business, future financial performance and the trading price of the Equity Shares.

44. *Investors may have difficulty in enforcing judgments against our Company or its management outside India*

Our Company is a limited liability company incorporated under the laws of India. All of the Directors and executive officers named in the Draft Red Herring Prospectus are residents of India. Further, a substantial portion of our assets and the assets of such persons are located in India. As a result, it may not be possible for investors to affect service of process upon our Company or such persons in jurisdictions outside India or to enforce judgments obtained against it or such persons outside India. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 (the “Civil Procedure Code”). Section 13 of the Civil Code provides that a foreign judgment shall be conclusive as to any matter thereby directly adjudicated upon except (i) where it has not been pronounced by a court of competent jurisdiction, (ii) where it has not been given on the merits of the case, (iii) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognise the laws of India in cases where such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where it has been obtained by fraud or (vi) where it sustains a claim founded on a breach of any law in force in India.

Section 44A of the Civil Procedure Code provides that where a foreign judgment has been rendered by a superior court in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty.

The United States has not been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. However, the U.K. has been declared by the Government to be a reciprocating territory. Accordingly, a judgment of a court in the U.S. may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered.

Prominent Notes

- Issue of upto [●] equity shares of face value of Rs. 10/- each of our Company for cash at a Price of Rs. [●] per Equity Share including a share premium of Rs. [●] per Equity Share, aggregating upto Rs. 7,800 Lakhs (the “Issue”). The Issue shall constitute [●] % of the fully diluted post-issue paid up capital of our Company.
- The Book Value per Equity Share as on March 31, 2010 and December 31, 2010 is Rs. 5.74 and Rs. 12.35 respectively.

- The Net worth of our Company as on March 31, 2010 and December 31, 2010 was Rs. 573.61 Lakhs and Rs. 1,718.23 Lakhs respectively.
- The average cost of acquisition of equity shares for the Promoters are as under:

Name of the Promoter	Cost Per Share (Rs.)
Mr. Murali Kabirdass	10
Ms. Haripriya Murali	10
Best Cast IT Limited	10

- Other than as disclosed either in Related Party Transactions or otherwise, the Promoters/Directors/ Key Management Personnel of our Company have no interest other than reimbursement of expenses incurred or normal remuneration or benefits arising out of the shareholding/employment in our Company or out of any business relation with any of the ventures in which they are interested. For interests of Promoters and Directors, please refer the chapters “Our Management” and “Promoters and Group Companies” beginning on pages 103 and 113 of this Draft Red Herring Prospectus. For related party transactions, refer to page 131 of the Draft Red Herring Prospectus under the section titled “Financial Statements”.
- There are no financing arrangements whereby the promoter group, the directors of the company which is a promoter of the Issuer, the Directors of the Issuer and their relatives have financed the purchase by any other person of securities of the Issuer other than in the normal course of business of the financing entity during the period of six months immediately preceding the date of the filing the DRHP with the board.
- The name of the Company was changed to M/s. Kabirdass Motor Company Limited upon conversion into public limited company and a fresh certificate of incorporation was obtained on November 07, 2008.
- Other than as stated in the section titled ‘Capital Structure’, the Company has not issued any Equity Shares for consideration other than cash.
- No loans and advances have been made to any person(s) / companies in which Directors are interested except as stated in “Financial Information” beginning on page 121 of this DRHP.
- Trading in equity shares of our Company for all the investors shall be in dematerialized form only.
- Investors are advised to refer to the paragraph on “Basis for Issue Price” on page 67 of this DRHP before making an investment in this Issue.
- Investors are advised to go through the paragraph on “Basis of Allotment” beginning on page 202 of this DRHP.
- Investors may note that, the Issue is being made through the Book Building Process wherein at least 50% of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers (“QIBs”), out of which 5% (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. Upto 30% of the QIB Portion shall be available for allocation to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis and one-third of the Anchor Investor Portion shall be available for allocation to domestic Mutual Funds. The Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price. If at least 50% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Under-subscription, if any, in the Non-Institutional and Retail Individual categories would be allowed to be met with spill over inter-se from any of the other categories, or combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange.
- Investors are free to contact the BRLM for any complaints/ information/ clarification pertaining to this Issue. For contact details of the BRLM, please refer to the cover page of this Offer Document.

- Any clarification or information relating to the issue shall be made available by the BRLM and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever.
- We and the BRLM are obliged to keep this Draft Red Herring Prospectus updated and inform the public of any material change/development until listing.

SECTION IV - INTRODUCTION

SUMMARY OF INDUSTRY

The information in this section has been extracted from the websites of and publicly available documents from various sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the Issue has independently verified the information provided in this chapter. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.

Electric Bike: Introduction

An electric bike is a battery operated vehicle with low maintenance cost and zero pollution. Electric two wheelers make use of rechargeable batteries, which converts electrical energy into mechanical energy. The battery of an electric vehicle can be charged easily using a power connection.

Features of Electric Bikes and Scooters

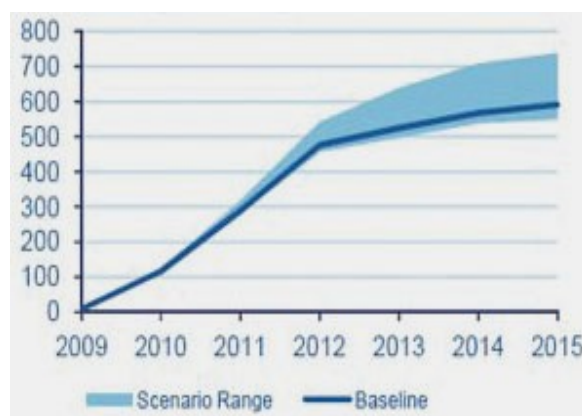
Some of the advantages of electric bikes and scooters are as follows:

- License and registration is not required for electric bikes and scooters below 250 Watts.
- Electric two wheelers run on re-chargeable battery and uses electricity as fuel in place of conventional Petrol/Diesel.
- Electric bikes and scooters can beat the rising prices of Petrol/Diesel.
- Simple in design, light weight and economical electric vehicles are very low in running and maintenance cost.
- With the ease of handling, electric two wheelers save the commuting time in congested roads especially in urban areas.
- Electric vehicles are more efficient in terms of generating usable energy from their electric engine's battery in comparison to the regular fuel conversion. In this way electric bikes and scooters are innovative and efficient mode of personal transport.
- Electric bikes or scooters use electricity therefore no emission of harmful gases like Carbon dioxide (CO₂) or Nitrogen dioxide (NO₂).

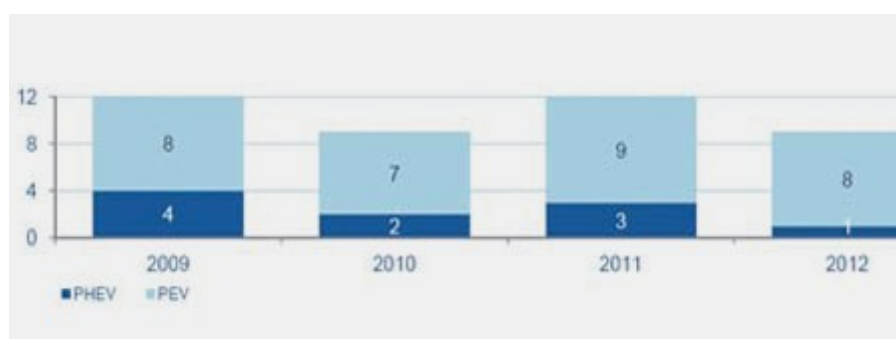
(Source: <http://www.surfindia.com/automobile/electric-bikes-scooters.html>)

Global Scenario

EVs offer the promise of reducing automotive related emissions, but the environmental equation will remain incomplete until an abundance of clean energy sources reach high levels of utilization. While an EV may emit less pollution than its petrol powered equivalent, the energy source from which its electricity is derived could offset any material gains. Lack of infrastructure is also a major roadblock to near-term EV penetration, as a network of charging stations and battery swap locations will be needed to service any significant number of EVs. Navigating the logistics will be challenging and costly, and will undoubtedly take a number of years to implement. As a result, some automakers are offering PHEVs (plug-in hybrid electric vehicles) with an internal combustion generator to mitigate "range anxiety" and bridge the gap until a robust charging network is developed. Despite substantial private investment in enabling technologies, continued government support will be required to advance progress in the areas of battery performance and cost reduction. Because the price premiums associated with today's EV offerings are prohibitive for the majority of mainstream consumers, further financial incentives will likely be needed to increase EV accessibility.



Global EV Scenario Assembly Forecast
2009 - 2015 (Thousands)
(Source: PwC AUTOFACTS 2009 Q4 Data Release)



Global EV Introductions - PHEV & PEV
2009 - 2012 (# of models)
(Source: PwC AUTOFACTS 2009 Q4 Data Release)

(Source: <http://www.omnexus.com/resources/editorials.aspx?id=24270>)

Indian Scenario

The electric vehicle market comprising of electric cars and two-wheelers is expected to witness strong growth. A large number of international and domestic players have plans to enter the market and capitalize on the rising demand for alternative fuel vehicles in India.

(Source: <http://www.prlog.org/10848002-electric-vehicle-market-in-india-2010.html>)

On the back of the incentive package for electric vehicles announced by the Ministry of New and Renewable Energy in November 2010, average monthly sales of electric two-wheelers has risen 20 per cent, says Sohinder Gill, director, Society of Manufacturers of Electric Vehicles.

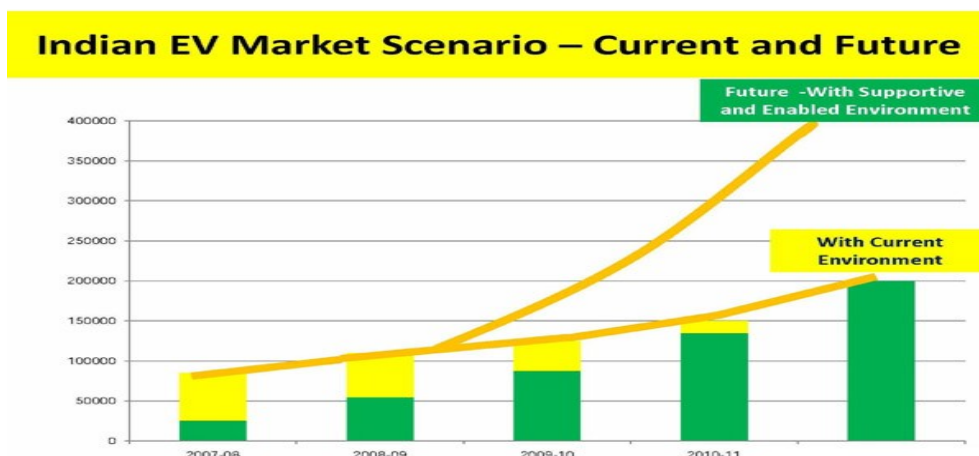
Under the Rs 95-crore scheme, the government is providing incentives of up to 20 per cent on ex-factory prices of electric vehicles sold in India during the remaining part of the 11th Plan (ending March 2012), with a cap of Rs. 4,000 for low-speed, two-wheelers and Rs. 5,000 for high-speed ones. The price of an electric bike varies between Rs. 25,000 and Rs. 40,000, depending on the speed range.

For 2010-11, the government will support sales of 20,000 units and 10,000 units of low-speed and high-speed two-wheelers, respectively, while it will be 80,000 units and 20,000 units in 2011-12.

Apart from the subsidy, Gill said the proposed budget sops like full exemption from basic customs duty and a concessional rate of central excise duty of four per cent on batteries imported by manufacturers would also help the sector in doubling sales by the year end.

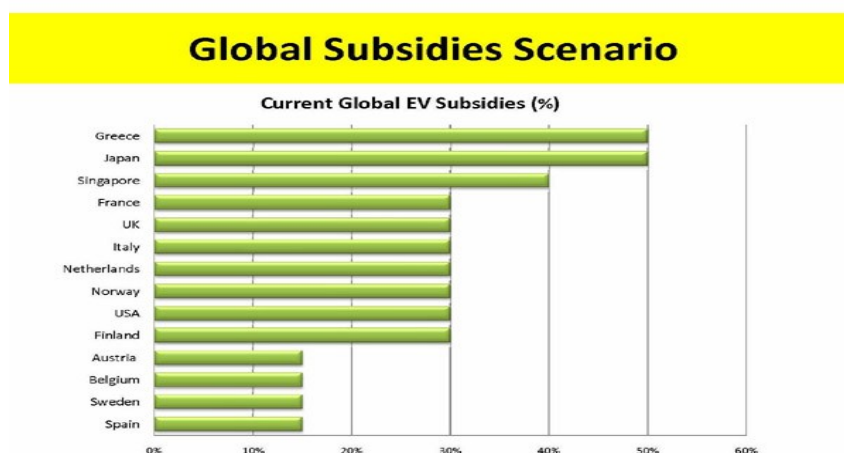
The electric two-wheeler market had annual sales of around 85,000 units in 2010, of which 65,000 units were sold by the organised sector.

(Source: <http://www.business-standard.com/india/news/electric-two-wheeler-sales20-after-subsidies/429473/>)



(Source: Society of Manufacturers of Electric Vehicles.)

The Ministry of New and Renewable Energy will pay up to 20% of the ex-factory price of these vehicles, which the manufacturers are expected to pass on to buyers, in return, the manufacturers will have to use at least 30% indigenous content in the vehicles, maintain a sizeable retail operation and after-sales service outlets.



(Source: Society of Manufacturers of Electric Vehicles.)

SMEV's Sohinder Gill expects sales to rise by a marginal 2-3% in the current fiscal.

Sohail Akhtar, deputy director at the Ministry of New and Renewable Energy, said the ministry is working on a broader policy to encourage the use of electric vehicles in collaboration with other ministries.

(Source: <http://www.livemint.com/2010/11/23000806/Govt-to-give-incentives-to-ele.html?atype=tp>)

SUMMARY OF BUSINESS

This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about us and our financial statements, including the notes thereto, the “Risk Factors” and “Management Discussions and Analysis of Financial Condition and Results of Operation” on pages 12 and 147 respectively of this Draft Red Herring Prospectus.

Kabirdass Motor Company Limited was formed in 2006 to develop and commercialize zero emission vehicles (“ZEV”) in the name of ‘XITE’. Kabirdass Motor Company Limited is a group company of Best Cast IT Limited. The turnover of Best Cast IT Limited for the year ended March 31, 2010 is Rs. 45.87 crores with a Profit of Rs. 0.15 crores.

The registered office of our Company is at No.16, Poonamallee High Road, Velappanchavadi, Chennai – 600 077. The manufacturing unit of the Company is situated at its registered office and has a production capacity of 135 vehicles a day. Our Company has been classified as a small manufacturing enterprise by the District Industries Centre, Tiruvallur on 06.02.2007.

We manufacture 4 models of electric bikes and scooters none of which require license to ride under the Motor Vehicles Act, 1988 and related rules as their maximum speed is less than 25 km per hour. The scooters manufactured by the Company are battery operated scooters and provide clean, efficient, reliable, and affordable city transportation. We have obtained certification to manufacture electric bikes from the Automotive Research Association of India. Our Company has a R&D Team to improvise the product based on customer feedback. The R&D is also involved in new product design in line with the Indian market requirements.

The first electric bike manufactured by our Company was launched under the brand name “Xite” in February, 2007. The first series of electric bikes and scooters manufactured by the Company are an advanced zero-emission, battery-powered scooterettes which offer power ranging from 250 Watt to 1500 Watt.

Our company has appointed distributors & dealers in the states of Tamil Nadu, Kerala, Andhra Pradesh, Karnataka, Orissa and West Bengal and in the union territory of Pondicherry and sold over 3,379 bikes and scooters as on March 31, 2011.

For the financial year ended March 31, 2009 and 2010, we had total income of Rs. 500.06 Lakhs and Rs. 133.30 Lakhs respectively and a net profit, as restated, of Rs. 9.74 Lakhs and Rs. (68.11) Lakhs respectively. For the nine months ended December 31, 2010, we have achieved a total income of Rs. 135.28 Lakhs and net profit, as restated, of Rs. 73.63 Lakhs.

Our Company has embarked upon an expansion plan to expand its existing facilities and for setting up of new manufacturing unit for manufacturing of spare parts of electric scooters. For further information, please see —Objects of the Issue on page 55 of this Draft Red Herring Prospectus.

OUR COMPETITIVE STRENGTHS

Established Brand Name

The Company’s umbrella brand “Xite” is established in the states of Tamil Nadu, Andhra Pradesh and Karnataka.

Strong Marketing & Distribution Network

The credit for the establishment of “Xite” brand across the southern region of the country goes to the strong marketing & distribution network. Currently, the Company has 41 distributors and it plans to increase the number of distributors in a phased manner in every part of India. The Company’s efforts in strengthening the marketing & distribution network are on a continuous basis through media, newspapers, promotional events, sponsorships, etc.

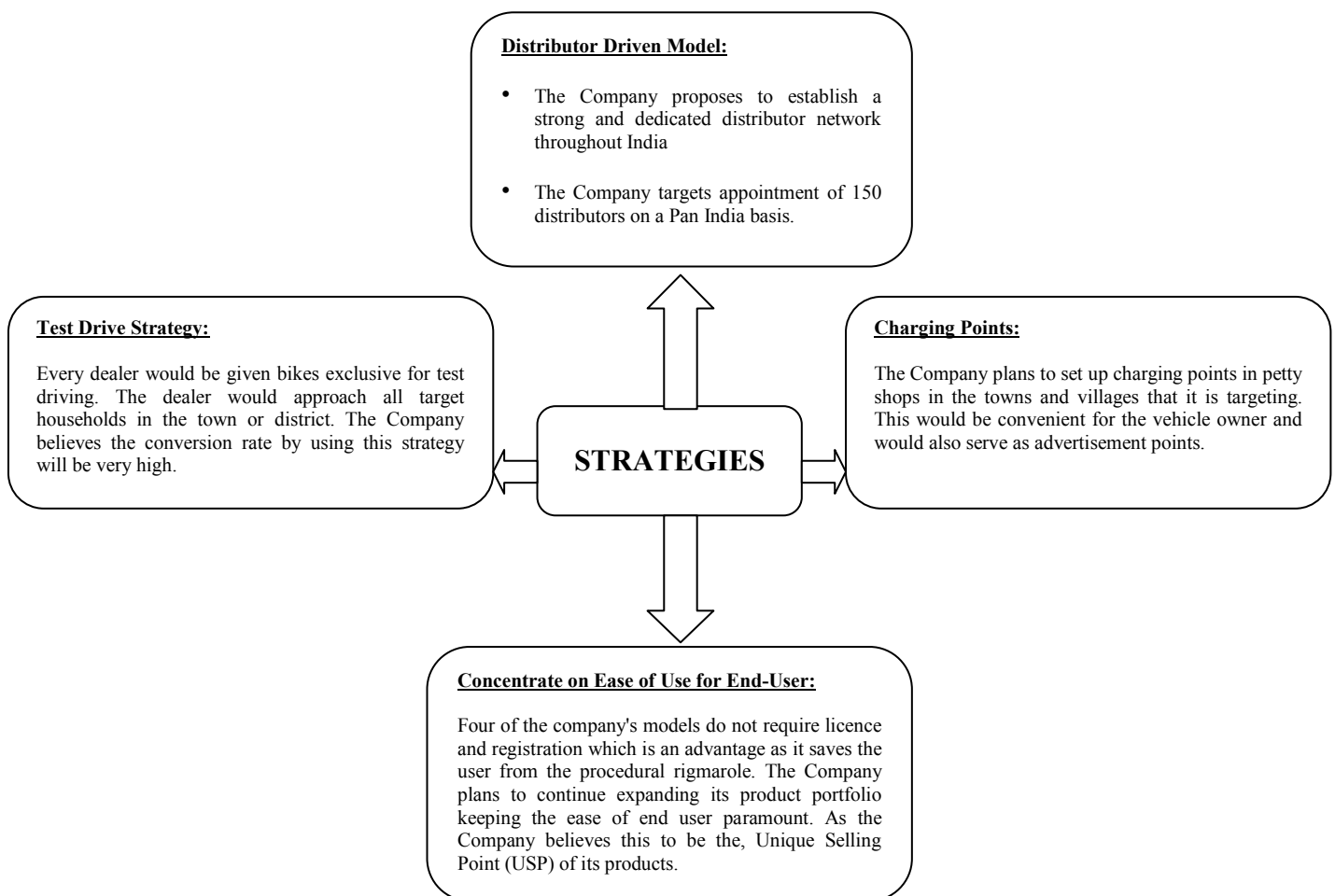
Sales Force Effectiveness

Implementation of business planning tools, focus on technical support, field coaching and constant evaluation of product knowledge and training has helped in improving effectiveness and field force productivity. Customer segmentation has sharpened focus on key customers.

Research & Development

The key strength of our Company is in its understanding of the client requirements, carrying out various tests and developing various grades of products to meet the specific requirement of its customers. Our Company has a R&D facility that continuously carries out product development activities for enhancing the product quality, improving operational efficiencies and augmenting the product lines. The R&D department will also work simultaneously on issues without input from customers or the marketplace.

OUR BUSINESS STRATEGIES



SUMMARY OF FINANCIAL INFORMATION

The following table sets forth selected financial information derived from the financials for the financial years ended March 31, 2007, 2008, 2009, 2010 and for the period ended December 31, 2010, which are in line with the audited financial statements. These financials have been prepared in accordance with the requirements of the Companies Act and the SEBI Regulations, along with the related clarifications issued by SEBI, for the purpose of disclosure in this Draft Red Herring Prospectus. The Company's financial statements and the information regarding the basis of preparation are set out in the section titled 'Financial Statements' in this Draft Red Herring Prospectus.

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. In Lakhs)					
Particulars	For the period ended				
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	December 31, 2010
Fixed Assets					
Gross Block	215.23	230.98	232.72	273.47	276.44
Less: Depreciation	-	11.05	22.40	37.29	48.97
Net Block	215.23	219.93	210.32	236.18	227.47
Total (A)	215.23	219.93	210.32	236.18	227.47
Investment (B)	-	-	1.00	1.14	1.14
Deferred Tax Asset (C)	-	-	-	-	19.94
Current Assets, Loan & Advances					
Inventories	22.21	180.26	342.69	155.48	132.60
Sundry Debtors	-	22.49	75.37	187.17	319.24
Cash & Bank Balances	22.26	7.65	8.77	16.79	82.41
Loans & Advances	224.50	488.95	2,385.13	2,408.82	1,528.60
Other Current Assets	-	2.91	-	-	-
Total (D)	268.97	702.26	2,811.96	2,768.26	2,062.85
Liabilities & Provisions					
Secured Loans from Bank	-	49.71	172.74	113.45	117.63
Unsecured Loans	80.68	27.19	2,047.79	2,212.48	426.69
Current Liabilities	22.57	13.62	18.07	59.83	48.85
Provisions	0.85	2.08	9.19	-	-
Deferred Tax Liability	-	0.93	1.90	46.21	-
Total (E)	104.10	93.53	2,249.69	2,431.97	593.17
Net Worth (A+B+C+D-E)	380.10	828.66	773.59	573.61	1,718.23
Net Worth Represented By					
Equity Share capital	425.33	910.00	1,000.00	1,000.00	1,390.93
Reserves & Surplus	-	(6.03)	3.71	(64.40)	869.31
Less: Miscellaneous Expenses (To the extent not written off)	45.23	75.31	230.12	361.99	542.01
Net Worth	380.10	828.66	773.59	573.61	1,718.23

SUMMARY STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Rs. In Lakhs)					
Particulars	For the period ended				
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	December 31, 2010
Income					
Gross Sales	-	251.67	275.81	320.79	163.23
Less :- Excise Duty	-	2.21	15.33	0.29	5.07
Net Sales	-	249.46	260.48	320.50	158.16
Increase / (Decrease) in Stock	-	158.05	162.42	(187.20)	(22.88)
Other Income	-	-	77.16	-	-
Total Income	-	407.51	500.06	133.30	135.28
Expenditure					
Raw Material Purchase	-	232.89	229.97	5.74	64.50
Manufacturing Expenses	-	65.80	89.80	9.24	9.55
Administrative & Other Expenses	-	84.03	124.60	80.92	37.38
Pre-operative & Deferred Revenue Expenses written off	-	13.17	16.97	36.73	-
Total	-	395.89	461.34	132.63	111.43
Profit/ (Loss) before Interest, Depreciation & Tax	-	11.62	38.72	0.67	23.85
Depreciation	-	11.05	11.35	14.89	11.68
Finance Charges	-	3.59	7.47	9.58	4.70
Profit/ (Loss) before Tax	-	(3.02)	19.90	(23.80)	7.47
Provision for Taxation					
- Current Tax	-	1.07	7.89	-	-
- Fringe Benefit Tax	-	1.01	1.30	-	-
- Deferred Tax Liability /(Deferred Tax Assets)	-	0.93	0.97	44.31	(66.16)
Profit/ (Loss) after Tax	-	(6.03)	9.74	(68.11)	73.63
Profit Available for Appropriation	-	(6.03)	9.74	(68.11)	73.63
Balance B/f from last year	-	-	(6.03)	3.71	(64.40)
Profit/ (Loss) transferred to B/S	-	(6.03)	3.71	(64.40)	9.23

Note: In the financial year 2009 -10 Raw Material Purchase is reduced by Excise Duty Reversal - Credit taken of Rs. 16.24 Lakhs.

CASH FLOW STATEMENT, AS RESTATED

(Rs. In Lakhs)					
Particulars	For the period ended				
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	December 31, 2010
Cash Flow From Operating Activities					
Profit/ (Loss) Before Tax	-	(3.02)	19.90	(23.80)	7.47
Interest	-	3.59	7.47	9.58	4.70
Depreciation	-	11.05	11.35	14.89	11.68
Operating Cash Flow	-	11.62	38.72	0.67	23.85
Changes in Working Capital	(223.29)	(455.62)	(2,097.02)	84.29	760.05
Inventories	(22.21)	(158.05)	(162.43)	187.21	22.88
Sundry Debtors	-	(22.49)	(52.88)	(111.80)	(132.07)
Loans & Advances	(224.50)	(264.45)	(1,896.18)	(23.69)	880.22
Other Current Assets	-	(2.91)	2.91	-	-
Current Liabilities	22.57	(8.95)	4.45	41.76	(10.98)
Provisions	0.85	1.23	7.11	(9.19)	-
Cash Generated from Operating Activity	(223.29)	(444.00)	(2,058.30)	84.96	783.90
Cash Flow From Investing Activities					
Change in Fixed Asset	(215.23)	(15.75)	(1.74)	(40.75)	(2.97)
Change in Investment	-	-	(1.00)	(0.14)	-
Change in Misc. Expenditure to the extent not w/off	(45.23)	(30.08)	(154.81)	(131.87)	(180.02)
Cash Generated From Investing Activity	(260.46)	(45.83)	(157.55)	(172.76)	(182.99)
Cash Flow From Financing Activities					
Change in Equity Share Capital	425.33	484.67	90.00	-	390.93
Change in Securities Premium	-	-	-	-	860.08
Change in Secured Loan	-	49.71	123.03	(59.29)	4.18
Change in Unsecured Loan	80.68	(53.49)	2,020.60	164.69	(1,785.79)
Change in Deferred Tax Liabilities	-	0.93	0.97	44.31	(46.21)
Change in Deferred Tax Assets	-	-	-	-	(19.94)
Interest Paid	-	(3.59)	(7.47)	(9.58)	(4.70)
Tax Paid	-	(3.01)	(10.16)	(44.31)	66.16
Cash Generated From Financing Activity	506.01	475.22	2,216.97	95.82	(535.29)
Surplus/(Deficit) During the period	22.26	(14.61)	1.12	8.02	65.62
Opening Cash & Bank Balances	-	22.26	7.65	8.77	16.79
Closing Cash & Bank Balances	22.26	7.65	8.77	16.79	82.41

THE ISSUE

Particulars		Number of Equity Shares
A	PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS*	[●]
	of which	
	QIB PORTION	[●]
	of which the:	
	Anchor Investor Portion**	[●]
	Net QIB Portion of which the:	
	Mutual Fund Portion***	[●]
	Other QIBs (including Mutual Funds)	[●]
	NON-INSTITUTIONAL PORTION	[●]
	RETAIL PORTION	[●]
B	Pre and post-Issue Equity Shares	
	Equity Shares outstanding prior to the Issue	1,39,09,375
	Equity Shares outstanding after the Issue	[●]

* The Issue in terms of the Draft Red Herring Prospectus has been authorized by the Board of Directors pursuant to a resolution dated February 14, 2011 and by the shareholders pursuant to a resolution in an EGM held on March 14, 2011 under section 81(1A) of the Companies Act.

**Out of the QIB Portion, our Company may consider participation by Anchor Investors for upto [●] Equity Shares in accordance with the SEBI ICDR Regulations at the Anchor Investor Issue Price of Rs. [●] per Equity Share, out of which at least one third shall be allocated to domestic Mutual Funds.

*** The Mutual Fund Portion would be 5% of the Net QIB Portion.

GENERAL INFORMATION

Registered Office of our Company

Best Cast House,
No. 16, Poonamallee High Road,
Velappanchavadi,
Chennai- 600 077;
Tel. No.: +91 44 2680 0988;
Fax No.: +91 44 2680 1218;
E-mail: ipo@kabirdass.com
Website: www.kabirdass.com
CIN: U74900TN2006PLC061581

For details of change in our name and our Registered Office, refer to the chapter titled “History and Corporate Structure” beginning on page 95 of this Draft Red Herring Prospectus

Address of the Registrar of Companies

RoC-Chennai

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

Board of Directors

The Board of Directors of our Company comprises of:

Sl.No	Name of Director, Age and Address	Designation	DIN
1.	Mr. Murali Kabirdass Age: 45 years Address: 243, Kilpauk Garden Road, Kilpauk, Chennai- 600 010.	Managing Director	00668887
2.	Mrs. Haripriya Murali Age: 40 years Address: 243, Kilpauk Garden Road, Kilpauk, Chennai- 600 010.	Non Executive Director	02069039
3.	Mr. P. Jothibasu Age: 41 years Address: No. 279, W-Block, C- Sector, Anna Nagar West Extension, Chennai – 600 101.	Non Executive Independent Director	03498140
4.	Mr. J. Sethuraman Age: 43 years Address: 56- A, East Raja Street, Mamallapuram, Kancheepuram- 603 104.	Non Executive Independent Director	01842269

For detailed profiles of our Directors, please refer to the chapters titled “Our Management” and “Promoters and Group Companies” beginning on pages 103 and 113 respectively of the Draft Red Herring Prospectus.

Company Secretary and Compliance Officer

Mr. Balasubramanian Muthukumar

Kabirdass Motor Company Limited,
Best Cast House,
No. 16, Poonamallee High Road,
Velappanchavadi,
Chennai- 600 077;

Tel. No.: +91 44 2680 0988;
Fax No.: +91 44 2680 1218;
Email: compliance@kabirdass.com

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

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked, ASBA account number and the designated branch of the relevant SCSB where the ASBA Form was submitted by the ASBA Bidder.

Issue Management Team

BOOK RUNNING LEAD MANAGER TO THE ISSUE
KARN MERCHANT BANKERS LTD. EC-41, Sector – 1, Salt Lake City, Kolkata – 700 064. Tel. No.: +91 33 2334 3922/23; Fax No.: +91 33 2334 3924; Email: kmcl.ipo@karnbanker.com Website: www.karnbanker.com Contact Person: Mr. Karn Vats SEBI Registration No.: INM 000011153

Legal Advisor to the Issue

HSB Partners, Advocates
‘Capitale’, 9th Floor, No.554/555,
Anna Salai, Teynampet,
Chennai – 600 018.
Tel. No.: +91 44 2435 5217
Fax No.: +91 44 2435 5257
E mail: bhaskar@hsbpartners.com
Contact Person: Mr. T.K. Bhaskar

Statutory Auditor to our Company

M.A. Suryanarayanan & Co.
No. 2 (New No. 3), Bakthavatchalam Nagar,
4th Street, Adyar, Chennai – 600 020,
Tel. No.: +91 44 2440 5544/4211 7203
Fax No.: +91 44 2440 5544
E mail: masuryanarayanan@gmail.com
Contact Person: Mr. M.A.Suryanarayanan
Membership No: 020765
Firm Registration No. 007234 S

Independent Auditor (Peer Review Certified)*

M/s. Raghu & Murali
New 14, (Old No. 59/1),
Dr. Rangachari Road,
Chennai – 600 018.
Tel. No.: +91 44 2499 6137/ 2467 0688

Fax No.: +91 44 2498 4064

Email: raghumuralicas@gmail.com

Contact Person: Mr. D.V. Muralidharan

Membership No: 018484

Firm Registration No.: 007564 S

Peer Review No.: 002063

*M/s. Raghu & Murali holds a Peer Review Certificate dated December 30, 2008, issued by the Institute of Chartered Accountants of India, New Delhi.

Registrar to the Issue

CAMEO CORPORATE SERVICES LTD.

Subramanian Building,

1, Club House Road,

Chennai -600 002.

Tel. No.: +91 44 2846 0390 (5 Lines)

Fax No.: 91 44 2846 0129

E-mail: kabirdass@cameoindia.com

Website: www.cameoindia.com

Contact Person: Mr. R.D. Ramasamy

SEBI Registration No.: INR 000003753

Bankers to our Company

Axis Bank

1st Floor, Karumuthu Nilayam,

No. 192, Anna Salai,

Chennai – 600 002.

Tel. No.: +91 44 2828 8900

Fax No.: +91 44 2828 8918

Karur Vysya Bank

Saveetha Dental College Hospital,

162, Poonamalle High Road Branch,

Velappanchavadi,

Chennai – 600 077.

Tel. No.: +91 44 2680 0942

Fax No.: +91 44 2680 0912

Union Bank of India

SSI TSK Nagar Branch,

R32, T.N.H.B Commercial Complex,

120 Feet Road, Mogappair,

Chennai – 600 050.

Tel. No.: +91 44 2346 0809

Fax No.: +91 44 2346 0810

HDFC Bank

No. 115, Radhakrishnan Salai,

9th Floor, Mylapore,

Chennai – 600 004.

Tel. No.: +91 44 2847 7282/ 83/ 84/ 85/ 86/ 87

Fax No.: +91 44 2847 7281

Self Certified Syndicate Banks

The SCSB's are as per updated list available on SEBI's website (www.sebi.gov.in). For details on Designated Branches of SCSBs collecting the ASBA Form, please refer the above mentioned SEBI link.

Bankers to the Issue / Escrow Collection Banks

The Bankers to the Issue / The Escrow Collection Bank(s) shall be appointed prior to filing of the Red Herring Prospectus with RoC.

Refund Bank

The Refund Banker(s) shall be appointed prior to filing of the Red Herring Prospectus with RoC in consultation with the BRLM.

Syndicate Members

The Syndicate Member(s) will be appointed prior to filing the Red Herring Prospectus with RoC in consultation with the BRLM.

Brokers to this Issue

All the members of the recognised stock exchanges would be eligible to act as brokers to the Issue in consultation with the BRLM.

Statement of Responsibilities of the Book Running Lead Manager

The BRLM, i.e. Karn Merchant Bankers Limited (KMBL), shall be responsible for the following activities in relation to the Issue:

Sl. No.	Activity
1	Capital Structuring with relative components and formalities such as type of instruments, etc.
2	Due diligence of Company's operations / management / business plans /legal etc. Drafting and design of the Offer Document including memorandum containing salient features of the Prospectus. The BRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, ROC and SEBI including finalisation of Prospectus and ROC filing.
3	Drafting and approval of all statutory advertisement
4	Drafting and approval of all publicity material other than statutory advertisement as mentioned in 3 above including corporate advertisement, brochure etc.
5	Appointment of other intermediaries viz., Registrar's, Printers, Advertising Agency, Bankers to the Issue
6	Preparation of Road show presentation and preparation of FAQs
7	International Institutional Marketing strategy <ul style="list-style-type: none">Finalise the list and division of investors for one to one meetings, in consultation with our Company, andFinalizing the International road show schedule and investor meeting schedules.
8	Domestic institutions / banks / mutual funds marketing strategy <ul style="list-style-type: none">Finalise the list and division of investors for one to one meetings, institutional allocation in consultation with our Company.Finalizing the list and division of investors for one to one meetings, and investor meeting schedules.
9	Non-Institutional and Retail marketing of the Issue, which will cover, inter alia, <ul style="list-style-type: none">Formulating marketing strategies, preparation of publicity budgetFinalise Media and PR strategy;Finalising centers for holding conferences for press and Brokers;Follow-up on distribution of publicity and Issuer material including form, prospectus and deciding on the quantum of the Issue material.Finalise Collection Centers
10	Co-ordination with Stock Exchanges for Book Building Software, bidding terminals and mock trading.
11	Finalisation of Pricing, in consultation with our Company
12	The post bidding activities including management of escrow accounts, co-ordination of non-institutional allocation, intimation of allocation and dispatch of refunds to bidders etc. The post Offer activities for the Offer involving essential follow up steps, which include the finalisation of trading and

Sl. No.	Activity
	dealing of instruments and demat of delivery of shares, with the various agencies connected with the work such as the registrar's to the Issue and Bankers to the Issue and the bank handling refund business. The merchant banker shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with our Company.

Credit Rating

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

IPO Grading Agency

[●]

IPO Grading

This Issue has been graded by [●] and has been assigned IPO Grade [●] indicating [●] fundamentals through its letter dated [●] and has been reaffirmed by the letter dated [●].

The IPO grading is assigned on a [●] scale from [●] with an "IPO Grade [●] indicating [●] fundamentals and an "IPO Grade [●] indicating [●] fundamentals. Attention is drawn to the disclaimer appearing under the paragraph titled "Disclaimer clause of the IPO Grading Agency" in the chapter titled "Other Regulatory and Statutory Disclosures" beginning on page 163 of this Draft Red Herring Prospectus.

This grading expires within [●] from the date of the report. The rationale for the Grade assigned to our Company's IPO by [●] has been set out in its report. A summary of the rationale for the grading assigned by [●] in its report is reproduced below:

Grading Rationale

The rationale / description furnished by the IPO grading agency will be updated at the time of filing the Red Herring Prospectus with SEBI and will be made available for inspection at our Registered Office from 10.00 a.m. to 4.00 p.m. on Working Days during the Bid/ Issue Period.

Expert Opinion

Except for the report of [●] in respect of the IPO Grading of this Issue (a copy of which will be annexed to the Red Herring Prospectus as Annexure I), furnishing the rationale for its grading which will be provided to the Designated Stock Exchange included in this Red Herring Prospectus and **M/s. Raghu & Murali**, the Independent Auditor who is Peer Review Certified in respect of the Restated Audited Report annexed herewith, the Company has not obtained any other expert opinions.

Trustees

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

Monitoring Agency

As per regulation 16 of the SEBI ICDR Regulations, monitoring agency is required to be appointed in case the issue size exceeds Rs. 50,000 Lakhs. Since, our proposed issue size will not exceed Rs. 50,000 Lakhs; we do not propose to appoint a Monitoring Agency.

However, as per 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.

Project Appraisal

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

Book Building Process

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

- Our Company;
- The Book Running Lead Manager, in this case being Karn Merchant Bankers Limited;
- Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. The Syndicate Members are appointed by the Book Running Lead Manager;
- Registrar to the Issue;
- Escrow Collection Banks and
- Self Certified Syndicate Banks

The Issue is being made through the Book Building Process wherein at least 50% of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), out of which 5% (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. Upto 30% of the QIB Portion shall be available for allocation to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis and one-third of the Anchor Investor Portion shall be available for allocation to domestic Mutual Funds. The Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price. If at least 50% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Under-subscription, if any, in the Non-Institutional and Retail Individual categories would be allowed to be met with spill over inter-se from any of the other categories, or combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. Our Company will comply with the SEBI Regulations for this Issue. In this regard, our Company has appointed the Book Running Lead Manager to procure subscriptions to the Issue.

In accordance with the SEBI Regulations, QIBs are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. In addition, as per the clause 11 (b) of Schedule XI of the above regulation QIBs are required to pay 100% of the Bid Amount upon submission of the Bid cum Application Form during the Bid/Issue Period and allocation to QIBs will be on a proportionate basis. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. Allocation to the Anchor Investors will be on a discretionary basis. For further details, see chapter "Terms of the Issue" on page 174 of this Draft Red Herring Prospectus.

All the Bidders (other than Anchor Investors) have the option to submit their Bids under the "ASBA Process", which would entail blocking of funds in the investor's bank account rather than immediate transfer of funds to the respective Escrow Accounts.

Our Company shall comply with the SEBI Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed Karn Merchant Bankers Limited as the Book Running Lead Manager to manage the Issue and procure subscriptions to the Issue.

The process of Book Building under the SEBI Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or ASBA Bid to a SCSB or Syndicate Member.

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

Bidders can bid at any price within the price band. For instance, assuming a price band of Rs. 40/- to Rs. 48/- per share, issue size of 6,000 equity shares and receipt of nine bids from bidders, details of which are shown in the table below, the illustrative book would be as below. A graphical representation of the consolidated demand and price would be made available at the bidding centres' during the Bid/ Issue Period. The illustrative book as shown below indicates the demand for the shares of our Company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	48	500	8.33%
700	47	1,200	20.00%
1,000	46	2,200	36.67%
400	45	2,600	43.33%
500	44	3,100	51.67%
200	43	3,300	55.00%
2,700	42	6,000	100.00%
800	41	6,800	113.33%
1,200	40	8,000	133.33%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired quantum of shares is the price at which the book cuts off i.e. Rs. 42/- in the above example. The issuer, in consultation with the BRLM will finalize the issue price at or below such cut-off price i.e. at or below Rs. 42/-. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in respective category.

Steps to be taken by the Bidders for Bidding

1. Check eligibility for making a Bid (see section titled “Issue Procedure - Who Can Bid?” on page 182 of this Draft Red Herring Prospectus);
2. Ensure that you have a dematerialised account and the dematerialised account details are correctly mentioned in the Bid cum Application Form;
3. Ensure that you have mentioned your PAN (see “Issue Procedure – PAN” on page 197 of this Draft Red Herring Prospectus);
4. Except for Bids on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, for Bids of all values, ensure that you have mentioned your PAN allotted under the I.T. Act in the Bid cum Application Form or the ASBA Bid cum Application Form (see “Issue Procedure – PAN” on page 197 of the Draft Red Herring Prospectus);
5. Ensure that the Bid cum Application Form/ASBA Bid Cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form/ASBA Bid Cum Application Form;
6. Ensure the correctness of your demographic details (as defined in the “Issue Procedure-Bidder’s PAN, Depository Account and Bank Account Details” on page 192 given in the Bid cum Application Form or the ASBA Bid cum Application Form, as the case may be, with the details recorded with your Depository Participant.
7. Bids by QIBs (including Anchor Investors) will only have to be submitted to the BRLM and / or its affiliates or to the Syndicate Member(s), other than Bids by QIBs who Bid through the ASBA process who shall submit the Bids to the Designated Branch of the SCSBs; and
8. Bids by ASBA Bidders will have to be submitted to the Designated Branches of the SCSBs or Syndicate Members. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB or Syndicate Members to ensure that the ASBA Bid cum Application Form is not rejected.

Withdrawal of the Issue

Our Company in consultation with the BRLM, reserves the right not to proceed with the Issue after the Bid/Issue Closing Date but before the Board meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the pre-issue advertisements were published within two days of the closure of the Issue, providing reasons for not proceeding with the Issue. The BRLM, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day of receipt of such notification. The stock exchanges where the specified securities were proposed to be listed shall also be informed promptly. If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of its Equity Shares, it shall file a fresh draft red herring prospectus with the SEBI.

In the event of withdrawal of the Issue anytime after the receipt of monies from Bidders but prior to Allotment, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Draft Red Herring Prospectus. If such money is not repaid within eight days after our Company becomes liable to repay it, i.e. from the date of withdrawal, then our Company, and every Director of our Company who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the Stock Exchanges.

Bid/Issue Programme

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

*Our Company may, in consultation with the BRLM, allocate upto 30% of the QIB Portion, to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. Anchor Investors shall bid on the Anchor Investor Bidding Date, which shall be one Working Day prior to the Bid Opening Date.

1. Closure time of the Stock Exchange bidding platform for entry of bids is 5.00 PM
2. Bids not uploaded in the book, would be rejected.
3. In case of discrepancy in the data entered in the electronic book vis-a-vis the data contained in the physical bid form, for a particular bidder, the details as per physical application form of that bidder may be taken as the final data for the purpose of allotment.
4. The Standardization of cut-off time for uploading of bids on the Bid/ Issue Closing Date are as follows :
 - a. A standard cut-off time of 3.00 PM for acceptance of Bids and revision in Bids.
 - b. A standard cut-off time of 4.00 PM for uploading of bids received from non retail applicants i.e. QIBs and HNIs.
 - c. A standard cut-off time of 5.00 PM for uploading of bids received from retail applicants, which may be extended up to such time as deemed fit by Stock Exchanges after taking into account the total number of applications received upto the closure of timings and reported by BRLM to the Exchange within half an hour of such closure.
 - d. It is clarified that Bids not uploaded in the book, would be rejected. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the BSE and NSE.

In case of discrepancy of data between the Stock Exchanges and the Designated Branches of the SCSBs, the decision of the Registrar to the Issue, in consultation with the BRLM, our Company and the Designated Stock Exchange, based on the physical / electronic records, as the case may be, of the ASBA Bid cum Application Forms shall be final and binding on all concerned. Further, the Registrar to the Issue may ask for rectified data from the SCSBs.

Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid Closing Date and, in any case, no later than 1:00 P.M. (Indian Standard Time) on the Bid Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid Closing Date, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation in the Issue. If such Bids

are not uploaded, our Company, the BRLM and the Syndicate Members shall not be responsible. Bids will be accepted only on working days i.e. Monday to Friday (excluding any public holidays).

On the Bid/ Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received from Retail Individual Bidders, after taking into account the total number of Bids received upto the closure of timings for acceptance of Bid cum Application Forms 61 and ASBA Bid cum Application Forms as stated herein and reported by the BRLM to the Stock Exchanges within half an hour of such closure.

Our Company reserves the right to revise the Price Band during the Bid/ Issue Period in accordance with SEBI Regulations. The cap on the Price Band shall not be more than 20% of the floor of the Price Band.

In case of revision in the Price Band, the Issue Period will be extended for three additional days after revision of Price Band subject to the Bid/ Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the web sites of the BRLM and at the terminals of the Syndicate. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain [•] Equity Shares subject to the Bid Amount payable on such minimum application being in the range of Rs. 5,000 to Rs. 7,000.

Underwriting Agreement

After the determination of the Issue Price and before allocation of our Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the Book Runners shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. The Underwriting Agreement is dated [•]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

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

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

Name & Address of the Underwriter	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. in Lakhs)
KARN MERCHANT BANKERS LIMITED EC-41, Sector – 1, Salt Lake City, Kolkata – 700 064.	[•]	[•]

The above mentioned is indicative underwriting and this would be finalised after the pricing and actual allocation.

In the opinion of our Board of Directors (based on a certificate given by the Underwriters), the resources of the above mentioned underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned underwriters are registered with SEBI under Section 12 (1) of the SEBI Act or registered as brokers with the Stock Exchange(s).

Allocation among the underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the BRLM and the Syndicate Members shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure/subscribe to Equity Shares to the extent of the defaulted amount.

The underwriting arrangements mentioned above shall not apply to the subscriptions by the ASBA Bidders in this Issue, except for ASBA Bids procured by the Syndicate Member(s). The underwriting agreement shall list out the role and obligations of each Syndicate Member.

CAPITAL STRUCTURE

		(Rs. In Lakhs)	
	Particulars	Aggregate Nominal value	Aggregate value at Issue Price
A	AUTHORISED SHARE CAPITAL 3,00,00,000 Equity Shares of Rs. 10 each	3,000.00	
B	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL 1,39,09,375 Equity Shares of Rs. 10 each	1,390.94	
C	PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS* [•] Equity Shares of Rs. 10 each	[•]	[•]
	of which		
	QIB PORTION of at least [•] Equity Shares of Rs. 10 each Anchor Investor Portion is upto [•] Equity Shares** Net QIB Portion of not more than [•] Equity Shares, of which the: Mutual Fund Portion is [•] Equity Shares*** Other QIBs (including Mutual Funds) is [•] Equity Shares	[•]	[•]
	NON-INSTITUTIONAL PORTION of not less than [•] Equity Shares of Rs. 10 each	[•]	[•]
	RETAIL PORTION of not less than [•] Equity Shares of Rs. 10 each	[•]	[•]
D	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE ISSUE [•] Equity Shares of Rs. 10 each	[•]	[•]
E	SHARE PREMIUM ACCOUNT Prior to the Issue		860.06
	Post the Issue		[•]

* The Issue in terms of the Draft Red Herring Prospectus has been authorized by the Board of Directors pursuant to a resolution dated February 14, 2011 and by the shareholders pursuant to a resolution in an EGM held on March 14, 2011 under section 81(1A) of the Companies Act.

**Out of the QIB Portion, our Company may consider participation by Anchor Investors for upto [•] Equity Shares in accordance with the SEBI ICDR Regulations at the Anchor Investor Issue Price of Rs. [•] per Equity Share, out of which at least one third shall be allocated to domestic Mutual Funds.

*** The Mutual Fund Portion would be 5% of the Net QIB Portion.

For further details, please refer to the section titled "Issue Procedure" on page 181 of the Draft Red Herring Prospectus.

Our Company has no outstanding convertible instruments as on the date of the Draft Red Herring Prospectus.

Changes in the authorised capital since inception are as follows:

Date of Shareholder's Resolution	Number of Shares	Face Value (In Rs.)	Cumulative number of shares	Authorized share capital (In Rs.)
At Incorporation on November 23, 2006	10,00,000	10	10,00,000	1,00,00,000
March 30, 2007	40,00,000	10	50,00,000	5,00,00,000
September 27, 2007	50,00,000	10	1,00,00,000	10,00,00,000
March 23, 2009	1,00,00,000	10	2,00,00,000	20,00,00,000
March 31, 2009	20,00,000	10	2,20,00,000	22,00,00,000
May 28, 2010	80,00,000	10	3,00,00,000	30,00,00,000

Notes to the Capital Structure:

1. Share Capital History

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid Up Capital (Rs.)	Cumulative Share Premium (Rs. In)
At Incorporation on November 26, 2006	10,000	10	10	Cash	Allotment to subscribers to the MoA, namely Mr. Murali Kabirdass and Mr. Manohar Kabirdass were allotted 5,000 Equity Shares each	10,000	1,00,000	-
March 31, 2007	2,43,300	10	10	Cash	Further allotment of 2,43,300 equity shares to Mr. Murali Kabirdass	2,53,300	25,33,000	-
March 31, 2007	40,00,000	10	10	Consideration for Lease and for full satisfaction of the purchase price of Tools & Dies	Further allotment of 20,00,000 equity shares to Mr. Murali Kabirdass and of 20,00,000 equity shares to M/s. Best Cast IT Ltd.	42,53,300	4,25,33,000	-
March 29, 2008	28,46,700	10	10	Cash	Further allotment of 8,65,850 equity shares to Mr. Murali Kabirdass, of 8,65,850 to Mr. Manohar Kabirdass, of 5,000 equity shares to Mrs.	71,00,000	7,10,00,000	-

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid Up Capital (Rs.)	Cumulative Share Premium (Rs. In)
					Haripriya Murali, of 5,000 equity shares to Mrs. Anita Manohar Kabirdass, of 11,00,000 equity shares to M/s. Best Cast IT Ltd. and of 5,000 equity shares to Mrs. Vasantha Kabirdass			
March 29, 2008	20,00,000	10	10	Consideration for Lease	Further Allotment of 10,00,000 equity shares to Mr. Murali Kabirdass and of 10,00,000 equity shares to Mr. Manohar Kabirdass	91,00,000	9,10,00,000	-
March 30, 2009	9,00,000	10	10	Cash	Further Allotment of 9,00,000 equity shares to Mr. Murali Kabirdass	1,00,00,000	10,00,00,000	-
May 31, 2010	39,09,375	10	32	Cash	Allotment of 39,09,375 equity shares to Bennett, Coleman & Co. Ltd.	1,39,09,375	13,90,93,750	8,60,06,250
TOTAL						1,39,09,375	13,90,93,750	8,60,06,250

2. **Equity Shares issued for consideration other than cash**

Date of allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons for allotment	Allottees
March 31, 2007	40,00,000	10	10	Consideration for Lease and for full satisfaction of the purchase price of Tools & Dies	Further allotment of 20,00,000 equity shares to Mr. Murali Kabirdass and of 20,00,000 equity shares to M/s. Best Cast IT Ltd.
March 29, 2008	20,00,000	10	10	Consideration for Lease	Further Allotment of 10,00,000 equity shares to Mr. Murali Kabirdass and of 10,00,000 equity shares to Mr. Manohar Kabirdass

3. **Promoters Share Capital Build-Up and Promoters Contribution and Lock-in**

(a) *Capital built up of the Promoters*

1) **Mr. Murali Kabirdass**

Date of allotment/ transfer	No. of Equity Shares	Face Value (Rs.)	Issue/ Acquisition Price per Equity Share (Rs.)	Pre-Issue %	Post-Issue %	Consideration	Nature of Transaction
November 26, 2006	5,000	10	10	0.04	[●]	Cash	Initial Allotment
March 31, 2007	2,43,300	10	10	1.75	[●]	Cash	Further Allotment
March 31, 2007	20,00,000	10	10	14.38	[●]	Other than cash	Consideration for Lease and for full satisfaction of the purchase price of Tools & Dies
March 29, 2008	8,65,850	10	10	6.22	[●]	Cash	Further Allotment
March 29, 2008	10,00,000	10	10	7.19	[●]	Other than cash	Consideration for Lease
October 13, 2008	(700)	10	10	(0.01)	[●]	Cash	Transfer to M/s. Kabirdass Aluminium Ltd., Mr. Govardhana Babu and Mr. J. Damodaran
October 13, 2008	18,70,850	10	10	13.45	[●]	Cash	Transfer of shares from Mr. Manohar Kabirdass
March 30, 2009	9,00,000	10	10	6.47		Cash	Further Allotment
Total	68,84,300			49.49	[●]		

2) **Mrs. Haripriya Murali**

Date of allotment/ transfer	No. of Equity Shares	Face value (Rs.)	Issue/ Acquisition Price per Equity Share (Rs.)	Pre-Issue %	Post-Issue %	Consideration	Nature of Transaction
March 29, 2008	5,000	10	10	0.036	[●]	Cash	Initial Allotment
October 13, 2008	5,000	10	10	0.036	[●]	Cash	Transferred from Mrs. Anita Manohar Kabirdass
Total	10,000			0.072	[●]		

3) M/s. Best Cast IT Limited

Date of allotment/ transfer	No. of Equity Shares	Face value (Rs.)	Issue/ Acquisition Price per Equity Share (Rs.)	Pre-Issue %	Post-Issue %	Consideration	Nature of Transaction
March 31, 2007	20,00,000	10	10	14.38	[●]	Other than cash	Consideration for Lease and for full satisfaction of the purchase price of Tools & Dies
March 29, 2008	11,00,000	10	10	7.91	[●]	Cash	Further Allotment
Total	31,00,000			22.29	[●]		

(b) Details of Promoters' contribution locked in for three years

Name of Promoter	Date of allotment/ transfer	No. of Equity Shares Locked In	Face value (Rs.)	Issue/ Acquisition Price per Equity Share (Rs.)	Pre-Issue %	Post-Issue %	Consideration
Mr. Murali Kabirdass	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Mrs. Haripriya Murali	[●]	[●]	[●]	[●]	[●]	[●]	[●]
M/s. Best Cast IT Limited	[●]	[●]	[●]	[●]	[●]	[●]	[●]

The figures to be provided in this table shall be finalized upon determination of issue price and the no. of equity shares to be issued in the fresh issue consequent to the fresh issue.

- The minimum Promoters' contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters' under the SEBI Regulations.
- The Promoters' contribution constituting not less than 20% post-Issue paid-up equity share capital shall be locked-in for a period of three years from the date of Allotment in the Issue.
- The Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 33 of the SEBI Regulations.
- Our Company has obtained specific written consent dated April 11, 2011 from the Promoters' for inclusion of the Equity Shares held by them in the minimum Promoters' contribution subject to lock-in. Further, the Promoters' have given an undertaking to the effect that they/it shall not sell/transfer/dispose of in any manner, Equity Shares forming part of the minimum Promoters' contribution from the date of filing the Draft Red Herring Prospectus till the date of commencement of lock-in, in accordance with the SEBI Regulations.

(c) Other requirements in respect of lock-in

The Equity Shares which are subject to lock-in shall carry the inscription "non-transferable" and the non transferability details shall be informed to the depositories. The details of lock-in shall also be provided to BSE and NSE, where the shares are to be listed, before the listing of the securities.

As per Regulation 39 of SEBI ICDR Regulations, locked-in Equity Shares held by the Promoters may be pledged with any scheduled commercial bank or public financial institutions as collateral security for loans granted by such banks or financial institutions, subject to the following:

- (a) If the equity shares are locked in terms of clause (a) of Regulation 36, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the issue and pledge of equity shares is one of the terms of sanction of the loan;
- (b) If the equity shares are locked-in in terms of clause (b) of regulation 36 and the pledge of equity shares is one of the terms of sanction of the loan.

The Equity Shares held by the Promoters which are locked-in for a period of one year from the date of Allotment in the Issue can be pledged with any scheduled commercial bank or public financial institution as collateral security for loans granted by such bank or financial institution, provided that the pledge of the Equity Shares is one of the terms of sanction of the loan.

Shares held by Promoter(s) which are locked in as per the relevant provisions of Regulation 36 of the SEBI Regulations, may be transferred to and amongst Promoter/Promoter group or to a new promoter or persons in control of our Company, subject to continuation of lock -in in the hands of transferees for the remaining period and compliance of Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 1997, as applicable

Shares held by the person other than the Promoters, prior to this Issue, which are subject to lock in as per Regulation 37 of SEBI ICDR Regulations, may be transferred to any other person holding shares which are locked in, subject to continuation of lock -in in the hands of transferees for the remaining period and compliance of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto, as applicable.

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

Other than as disclosed above, the entire pre-issue capital of our Company shall be locked in for a period of one year.

(d) Lock-in of equity shares to be issued, if any, to the Anchor Investor(s)

Any Equity Shares allotted to Anchor Investors in the Anchor Investor portion shall be locked in for a period of 30 days from the date of allotment.

4. **Except as stated below, our Company has not made any issue of Equity Shares during a period of one year preceding from the date of this Draft Red Herring Prospectus, at a price which may be lower than the Issue price:**

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Reasons for Allotment
May 31, 2010	39,09,375	10	32	Cash	Allotment of 39,09,375 equity shares to Bennett, Coleman & Co. Ltd.

5. **Transactions in our Company's Equity Shares by the Promoter & their relatives or the Directors of our Company during a period of six months preceding the date of filing of this Draft Red Herring Prospectus with SEBI.**

There are no transactions in our Company's Equity Shares by the Promoters & their relatives or the Directors of the Company during a period of six months preceding the date of filing of this Draft Red Herring Prospectus with SEBI.

6. The following table presents the shareholding pattern of our Company as per clause 35 of Listing Agreement, as on date of filing the Draft Red Herring Prospectus (DRHP) with SEBI

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(A)	Shareholding of Promoter and Promoter Group							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	3	68,99,300	68,94,300	49.6018	49.6018	-	-
(b)	Central Government/ State Government(s)	-		-	-	-	-	-
(c)	Bodies Corporate	2	31,00,500	31,00,500	22.2907	22.2907	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(e)	Any Others (Specify)	-	-		-	-	-	-
	Sub Total(A)(1)	5	99,99,800	99,94,800	71.8925	71.8925	-	-
2	Foreign							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-	-	-	-	-	-
b	Bodies Corporate	-	-	-	-	-	-	-
c	Institutions	-	-	-	-	-	-	-
d	Any Others(Specify)	-	-	-	-	-	-	-
	Sub Total(A)(2)	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	5	99,99,800	99,94,800	71.8925	71.8925	-	-
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/ UTI	-	-	-	-	-	-	-
(b)	Financial Institutions / Banks	-	-	-	-	-	-	-

(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	-	-	-	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-
(h)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (B)(1)	-	-	-	-	-	-	-
B 2	Non-institutions							
(a)	Bodies Corporate	1	39,09,375	-	28.1060	28.1060	-	-
(b)	Individuals							
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	2	200	-	0.0014	0.0014	-	-
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	-	-	-	-	-	-	-
(c)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (B)(2)	3	39,09,575	-	28.1075	28.1075	-	-
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	3	39,09,575	-	28.1075	28.1075	-	-
	TOTAL (A)+(B)	8	1,39,09,375	99,94,800	100.00	100.00	-	-
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	8	1,39,09,375	99,94,800	100.00	100.00	-	-

7. **Pre and Post issue shareholding pattern of our Company is set out below: -**

The details of the Pre and Post issue shareholding of our company:

(Face Value of Equity shares of Rs. 10/- each)

Name of the Shareholders	Pre-Issue Equity Capital		Post – Issue Equity Capital	
	Number of Equity Shares	Percentage (%)	Number of Equity Shares	Percentage (%)
Promoters				
Mr. Murali Kabirdass	68,84,300	49.49	68,84,300	[●]
Mr. Haripriya Murali	10,000	0.07	10,000	[●]
M/s. Best Cast IT Limited	31,00,000	22.29	31,00,000	[●]
<i>Total holding of the Promoters</i>	<i>99,94,300</i>	<i>71.85</i>	<i>99,94,300</i>	<i>[●]</i>
Promoter Group				
Mrs. Vasantha Kabirdass	5,000	0.04	5,000	[●]
M/s Kabirdass Aluminium Ltd.	500	0.0036	500	[●]
<i>Total holding of the Promoter Group</i>	<i>5,500</i>	<i>0.04</i>	<i>5,500</i>	<i>[●]</i>
Total holding of the Promoters and Promoter Group	99,99,800	71.89	99,99,800	[●]
Non- Promoter/Public				
Non-Institutions	-	-	[●]	[●]
Bodies Corporate	39,09,375*	28.1060	[●]	[●]
Individual shareholders holding nominal share capital upto Rs. 1 lakh.	200**	0.0014	[●]	[●]
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	-	-	[●]	[●]
Total holding of the Non – Promoter/Public	39,09,575	28.11	[●]	[●]
Initial Public Offering (IPO)	-	-	[●]	[●]
Total Shareholding	1,39,09,375	100.00	[●]	[●]

* A Convertible Debenture Subscription Agreement had been entered between Bennett Coleman and Company Limited (BCCL), the Company and the Promoters of the Company on June 03, 2008. BCCL has vide the agreement dated June 03, 2008 subscribed to zero percent convertible debenture for a consideration of Rs. 2,000 Lakhs which was vide amended agreement dated March 31, 2010 revised for Rs. 1,251 Lakhs. These debentures have been converted into 39, 09,375 equity shares of Rs. 10/- each at a price of Rs. 32 per equity share on May 31, 2010.

** On October 13, 2008, Mr. Murali Kabirdass transferred a total of 200 equity shares of Rs. 10 each to Mr. Govardhana Babu and Mr. J Damodaran.

8. **Shareholders of our company and the number of Equity Shares held by them**

(a) *Our top ten shareholders and the number of Equity Shares held by them as of the date of filing of this Draft Red Herring Prospectus with SEBI:*

Sl. No.	Particulars	No. of Shares	Percentage (Pre-Issue)
1	Mr. Murali Kabirdass	68,84,300	49.49
2	Bennett Coleman & Co. Ltd.	39,09,375	28.1060
3	Best Cast IT Ltd.	31,00,000	22.29

4	Mrs. Haripriya Murali	10,000	0.07
5	Mrs. Vasantha Kabirdass	5,000	0.04
6	M/s. Kabirdass Aluminium Ltd.	500	0.0036
7	Mr. Govardhana Babu	100	0.0007
8	Mr. J. Damodaran	100	0.0007
TOTAL		1,39,09,375	100

(b) *Our top ten shareholders and the number of Equity Shares held by them ten days prior to the date of filing of this Draft Red Herring Prospectus with SEBI:*

Sl. No.	Particulars	No. of Shares	Percentage (Pre-Issue)
1	Mr. Murali Kabirdass	68,84,300	49.49
2	Bennett Coleman & Co. Ltd.	39,09,375	28.1060
3	Best Cast IT Ltd.	31,00,000	22.29
4	Mrs. Haripriya Murali	10,000	0.07
5	Mrs. Vasantha Kabirdass	5,000	0.04
6	M/s. Kabirdass Aluminium Ltd.	500	0.0036
7	Mr. Govardhana Babu	100	0.0007
8	Mr. J. Damodaran	100	0.0007
TOTAL		1,39,09,375	100

(c) *Our top ten shareholders and the number of Equity Shares held by them two years prior to date of filing of this Draft Red Herring Prospectus with SEBI:*

Sl. No.	Particulars	No. of Shares	Percentage (Pre-Issue)
1	Mr. Murali Kabirdass	68,84,300	68.843
2	Best Cast IT Ltd.	31,00,000	31.000
3	Mrs. Haripriya Murali	10,000	0.100
4	Mrs. Vasantha Kabirdass	5,000	0.050
5	M/s. Kabirdass Aluminium Ltd.	500	0.005
6	Mr. Govardhana Babu	100	0.001
7	Mr. J. Damodaran	100	0.001
TOTAL		1,00,00,000	100

9. As on date of filing of this Draft Red Herring Prospectus, the total numbers of holders of Equity Shares are 8 (Eight).
10. An oversubscription to the extent of 10% of the offer to the public can be retained for the purposes of rounding off to the nearest multiple of the minimum multiple lots.

Consequently, the actual Allotment may go up by a maximum of 10% of the Issue, as a result of which the post-Issue paid up capital after the Issue would also increase by the excess amount of Allotment so made. In such an event, the number of Equity Shares held by our Promoters and subject to lock- in shall be suitably increased; so as to ensure that a minimum of 20% of the post Issue paid-up capital is locked in.

In this Issue, in case of over-subscription in all categories, at least 50% of the Issue shall be allotted on a proportionate basis to Qualified Institutional Buyers (QIBs), of which 5% shall be reserved for

Mutual Funds. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in Retail Portion and Non-Institutional Portion shall be allowed to be met with spill over from the other categories, at the sole discretion of our Company in consultation with the BRLM and the Designated Stock Exchange. Allocation in all the aforesaid categories shall be on a proportionate basis. For more details, please refer to the paragraph titled “Method of Proportionate Basis of Allotment” beginning on page 203 under chapter titled “Issue Procedure” of the Draft Red Herring Prospectus.

11. Our Company, our Promoters, our Directors and the Book Running Lead Manager have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares of our Company from any person. The shares locked in by the promoters have not been pledged to any party.
12. As on date of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
13. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue and Bidders are subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder.
14. As on date, we have not raised any bridge loan against the Issue Proceeds, except as stated in ‘Objects of the Issue’ on page 55 of this Draft Red Herring Prospectus.
15. There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus to SEBI until the Equity Shares issued/ to be issued pursuant to the Issue have been listed.
16. We presently do not intend or propose to alter our capital structure for a period of six months from the date of filing of this Draft Red Herring Prospectus, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. However, if business needs of our Company so require, we may alter the capital structure by way of split/ consolidation of the denomination of the shares/ issue of shares on a preferential basis or issue of bonus or rights or public issue of shares or any other securities whether in India or abroad during the period of six months from the date of listing of the Equity Shares issued under this Draft Red Herring Prospectus or from the date the application moneys are refunded on account of failure.
17. We have not revalued the assets since inception.
18. Our Company has not issued or allotted any Equity Shares in terms of scheme approved under sections 391-394 of the Companies Act.
19. All the equity shares offered through this issue will be fully paid-up
20. There shall be only one denomination of Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
21. We have not made any public issue since incorporation.
22. Our Company, Directors, Promoters or Promoter Group shall not make any payments direct or indirect, discounts, commissions, allowances or otherwise under this Issue except as disclosed in the Draft Red Herring Prospectus.
23. The Promoter Group, the Directors of our Company and their relatives have not financed the purchase by any other person of securities of the Issuer other than in the normal course of the business of any such entity / individual or otherwise during the period of six months immediately preceding the date of

the Draft Red Herring Prospectus.

24. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of registering the Red Herring Prospectus with the RoC and the Bid/Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.
25. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any Equity Shares to our employees under ESOS/ESPS scheme from the proposed Issue.
26. Our Promoters and the Promoter Group, the BRLM and the Syndicate Members will not participate in the Issue.
27. The Equity Shares would be issued and traded on BSE and NSE only in dematerialised form. Hence the market lot of the Equity Shares is 1 (one).
28. We confirm that our Company is in compliance with the provisions of clauses 35, 41 and 49 of the Listing Agreement, SEBI (Substantial Acquisition of Shares and takeovers) Regulations, 1997, with respect to reporting in terms of Regulation 8(3) pertaining to disclosure of changes in shareholding and Regulation 8A pertaining to disclosure of pledged shares and compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992 with respect to reporting in terms of Regulation 13 or further details on the restrictive covenants contained in the various financing documents, please refer to chapter titled “Financial Indebtedness” beginning on page 144 of the Red Herring Prospectus.
29. Since the entire money in respect of the issue is being called on application, all the successful applicants will be issued fully paid-up shares.
30. The RBI has clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid cum Application Form, the OCB shall be eligible to be considered for share allocation.
31. As on the date of the DRHP, neither the BRLM nor their associates hold any Equity Shares.
32. Our Company, Directors, Promoters or Promoter Group shall not make any payments direct or indirect, discounts, commissions, allowances or otherwise under this Issue except as disclosed in the Draft Red Herring Prospectus.
33. None of our Directors or key managerial personnel hold any Equity Shares in our Company except as under:

Sl.No.	Name of Shareholder	Number of Shares	Percentage (Pre Issue)
1	Mr. Murali Kabirdass	68,84,300	49.49
2	Mrs. Haripriya Murali	10,000	0.07

SECTION V – OBJECTS OF THE ISSUE

The proceeds of the Issue, after deducting the Issue Expenses (the **Net Proceeds**), are estimated to be approximately Rs. [●] Lakhs.

The Company intends to utilise the Net Proceeds for the following objects:

1. For the expansion of our existing facilities and for setting up of new manufacturing unit for manufacturing of spare parts of electric scooters.
2. To meet the Long Term Working Capital requirements.
3. General Corporate Expenses.

The main objects clause and the objects incidental or ancillary to the main objects clause of the Memorandum of Association enable our Company to undertake the existing activities and the activities for which the funds are being raised through the present Issue. Further, we confirm that the activities carried out until now are in accordance with the object clause of the Memorandum of Association of our Company.

The details of the Issue Proceeds are summarised in the table below:

(Rs. In Lakhs)

S. No.	Particulars	Amount
1	Gross Proceeds of the Issue	7,800.00
2	(Less) Issue Expenses	[●]
3	Net Proceeds of the Issue*	[●]

**To be finalised upon completion of the Issue.*

We intend to utilize the proceeds of the Issue, as provided below:

(Rs. In Lakhs)

S. No.	Particulars of Expenditure	Total Fund Requirement	Funds deployed as on December 31, 2010	Estimated Deployment of Funds in 2011 - 2012	Estimated Deployment of Funds in 2012 - 2013
1	For the expansion of our existing facilities and for setting up of new manufacturing unit for manufacturing of spare parts of electric scooters	6,320.00	[●]	5,605.00	715.00
2	To meet the Long Term Working Capital requirements	700.00	[●]	700.00	[●]
3	General Corporate Expenses	[●]	[●]	[●]	[●]
4	Issue Expenses	[●]	299.10*	[●]	[●]
	TOTAL	[●]	[●]	[●]	[●]

*We have taken an unsecured bridge loan of Rs. 300.00 Lakhs from M/s. Regent Finance Corporation Private Limited, for meeting the Issue Expenses, this amount will be repaid from the Issue Proceeds after the completion of the Issue.

Our fund requirements and deployment thereof are based on internal management estimates of our current business plans and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs or in other financial conditions, business strategy, as discussed further below. We shall recoup the expenses incurred up to the listing of the Equity Shares from the Issue Proceeds.

In case of any variations in the actual utilization of funds earmarked for the objects mentioned above or in case of increased fund requirements for a particular object, the shortfall, if any, may be financed by surplus funds, if any, available for other objects and/or our Company's internal accruals and/or working capital loans that may be

availed from the banks/financial institutions, to the extent of such shortfall. Any surplus from the Net Proceeds of the Issue after meeting the primary objects mentioned above, if any, will be used for our general corporate expenses.

We operate in a highly competitive, dynamic market environment, and may have to revise our estimates from time to time on account of new initiatives that we may pursue including any potential acquisition opportunities. Consequently our fund requirements may also change, which may include rescheduling or re-working of our expansion/ investments. Any such change in our plans may require rescheduling of our expenditure programs, at the discretion of our management / Board. Our capital expenditure plans are subject to a number of variables, including possible cost overruns; construction/development delays; and changes in management's views of the desirability of current plans, among others.

Means of Finance

The entire requirements of funds towards the objects of the Issue, other than working capital requirements, will be met from the Net Proceeds of the Issue. The working capital requirements will be met through the Net Proceeds (to the extent of Rs. 700 Lakhs), working capital loans and internal accruals. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue.

REQUIREMENT OF FUNDS

The detailed breakup of the Requirement of Funds is as under:

1. For the expansion of our existing facilities and for setting up of new manufacturing unit for manufacturing of spare parts of electric scooters:

We are in the process of expanding our existing manufacturing facility at No.16, Poonamallee High Road, Velappanchavadi, Chennai – 600 077. Moreover, the Company presently outsources the various parts of the scooter it assembles and the finished product is sold in the market through dealers. Through the funds available from this Issue, the Company is planning to develop the critical parts in - house. The parts considered for in - house development are steel parts – mainframe, plastic parts, motor, controller, paint shop, charges and battery. This would help the Company to reduce the cost and realise better margins on the product.

The details of the expenditure are as under:

S. No.	Particulars	Amount (Rs. In Lakhs)
A	Land & Land Development Cost	1,400.00
B	Building Construction Cost	350.00
C	Plants & Machinery	4,002.00
D	Research & Development	568.00
	TOTAL	6,320.00

A. Land & Land Development Cost

The total cost would include the following:

S. No.	Particulars	Amount (Rs. In Lakhs)
1	Cost of Land*	1,032.00
2	Cost of Developing the Land**	368.00
	Total	1,400.00

*The land for the proposed Project has been identified at Palnallur Village, adjacent to SIPCOT Industrial Park at Sriperumbudur near Chennai. The total area of the proposed site is 14.34 acres and the cost of the land is estimated at Rs. 1,032.00 Lakhs as per certificate dated 29.03.2011 given by Mr. E.S.Vijayaraghavan, Chartered Engineer and Government Approved Valuer.

**The land development cost is based on management estimates. The land development cost is estimated to be Rs. 368.00 Lakhs, as per the details given below:

S. No.	Particulars	Amount (Rs. In Lakhs)
1	Land Registration	100.00
2	Land Filling	50.00
3	Compound Wall	60.00
4	Testing for Soil Bearing Capacity	10.00
5	Plan Approval and Other Expenses	15.00
6	Architect Fees	20.00
7	Laying of Approach Road to Factory	50.00
8	Bore well	20.00
9	Deposits with Government Authorities	25.00
10	Other Contingencies	18.00
	Total	368.00

B. Building Construction Cost

The Company has obtained quotations from Vinari Infrastructure Pvt. Limited, MMC Industries and Full Moon Industries for the construction of office building, factory building, providing test track, fencing the entire area etc. at the proposed site of our Project. The quotations received from Vinari Infrastructure Pvt. Limited have been finalized for selection by our management, on account of those being lower than the other corresponding quotes; subsequently an in-principle approval dated April 06, 2011 for awarding the contract has been submitted to Vinari Infrastructure Pvt. Limited. The total cost is estimated at Rs. 350.00 Lakhs.

The total cost of construction would include the following:

S. No.	Particulars	Amount (Rs. In Lakhs)
1	Construction of office building	68.00
2	Construction of factory building	231.00
3	Providing the test track	10.00
4	Providing fencing for factory site	20.00
5	Construction of shed for two wheeler parking	5.00
6	Construction of septic tank	4.95
7	Construction of underground water sump	11.05
	Total	350.00

C. Plants & Machinery

The Company has obtained quotations from Vinari Infrastructure Pvt. Limited, MMC Industries and Full Moon Industries for turnkey contract for supply of plants & machinery for our proposed Project. The quotations received from Vinari Infrastructure Pvt. Limited have been finalized for selection by our management, on account of those being lower than the other corresponding quotes; subsequently an in-principle approval dated April 06, 2011 for awarding the contract has been submitted to Vinari Infrastructure Pvt. Limited.

The details of the expenditure are as under:

(Rs. In Lakhs)

S. No.	Description	Nos.	Amount	Total Amount
1.	EDNC65 - CNC Sinker Electrical Discharge Machine with MGH5 Controller	1	90.65	
	Total			90.65
2.	E56 - Graphite Vertical Machining Center with Professional 5 Controller	1	114.65	
	Super GI.4 control for DM type	1	7.10	
	Data server, 160MB capacity	1	1.85	
	Helical interpolation	1	0.87	
	Power failure monitoring – 3 axes	1	1.02	
	Fanuc warranty 2 years	1	1.02	
	Total			126.51
3.	EDGE3 – precision CNC sinker electrical discharge machine with MGH5 controller	1	95.50	
	Super spark III	1	2.46	
	Universal holder	1	1.04	
	Total			99.00
4.	1010KVA Gen Set	2	180.00	
	Total			180.00
5.	75HP air compressor with dryer	1	16.22	
	15HP air compressor with dryer	3	18.11	
	Air receiver – 1500 ltrs.	3	2.41	
	Air receiver – 3000 ltrs.	1	1.52	
	Taxes & duties		7.65	
	Supervision and commission charges		0.42	
	Total			46.33
6.	Doosan Korea make CNC inverted spindle turning centre model puma VAW 600	1	165.00	
	Installation & Commissioning		3.30	
	Doosan Korea make CNC inverted spindle turning centre model puma invertturn	1	88.46	
	Doosan Korea make CNC horizontal machining centre model ACE HM500 with 40 tools ATC	1	125.84	
	Installation & Commissioning		1.50	
	Die Casting machine	1	72.35	
	Other Accessories		9.72	
	Total			466.17
7.	Tools for clean room facility: Painting room	Lot	48.00	
	Tools for clean room facility: Assembly room	Lot	48.00	
	Tools for clean room facility: PCS assembly	Lot	76.25	
	Total			172.25
8.	Supply of electric scooter assembly line no. 5	5	145.50	
	Taxes & duties		26.91	
	Total			172.41
9.	Welding fixtures of all models		7.45	
	Taxes & duties		1.37	
	Total			8.82
10.	Manufacture and supply of frame welding fixtures fabrication shop – 6 models	6	78.75	
	Taxes & duties		14.49	
	Total			93.24
11.	Development of 5HP oil cooled engine	1	26.25	
	Total			26.25
12.	Deep drawing tool for cover to suit 100T press	Lot	16.22	
	Deep drawing tool for oil sump	Lot	18.42	

(Rs. In Lakhs)

S. No.	Description	Nos.	Amount	Total Amount
	Press tool for flange intake	Lot	3.45	
	Press tool for exhaust system	Lot	9.75	
	Press tool for intake filter body and cover	Lot	6.90	
	Blanking die for end cover plate	Lot	5.45	
	Total			60.19
13.	Crank shaft machining fixture Bombay lathe	Lot	1.45	
	Crank cae machining fixture to suit for HMC	Lot	2.55	
	Head machining fixture to suit for VMC	Lot	2.45	
	Connecting rod machining fixture	Lot	1.25	
	Total			7.70
14.	Zitai make Cold Chamber Die Casting Machine Model ZDC-1250TPM with Standard Accessories, spare parts and electrical equipment suitable for 415 volts 50 Hz cycle	2	796.00	
	Auto ladle model ZLB – 120B	1	25.50	
	Auto sprayer model ZSP-120B	1	16.50	
	Auto extractor model ZPU-120C	1	22.50	
	Release agent tank	1	4.00	
	Air saving tank	1	1.55	
	C-series control	1	15.25	
	Total			881.30
15.	Pro Engineer foundation XE	19	68.60	
	Pro Engineer reverse Eng. Extension (REX)	1	7.50	
	Pro engineer interactive surface design extension II	1	2.55	
	Pro engineer advanced rendering extension (ARX)	1	0.62	
	Pro Engineer Tool designing option (TDO)	2	6.75	
	Pro/Toolmaker – Floating	2	7.41	
	Pro Engineer Mechanical option	1	2.40	
	Pro engineer Advanced Mechanical option	1	5.20	
	Pro engineer mechanism dynamics option (MDO)	1	2.45	
	Pro Engineer Plastic advisor extension	1	3.55	
	Taxes & duties		13.38	
	Total			120.41
16.	Standard paint booth (6M x 3.75M)	4	36.00	
	Excise duty 14.42% + Vat 4%		6.66	
	Total			42.66
17.	Godrej 2.0 tonne capacity @ 500mm load center Battery GX 200E MFH 3000 two stage mast with maximum fork ht. of 3000mm, overall ht. lowered of 2150mm, fitted with 48 volts curtis Electronic mosfet control, 1000mm long forks, solid cushion tyres, Head and tail lights, power steering, std tool kit, load back rest, tarpaulin canopy, Drivers overhead guard and - 48Volts traction battery	6	98.00	
	Optional Accessories - GX 200E	6	35.50	
	Godrej 3.0 tonne capacity @ 500mm load center Diesel GX 300D MFH 3000 two stage clear view mast with maximum fork ht. of 3000mm, overall ht. lowered of 2150mm, subgke druve (two ft. tyres0, fitted wht simpson's S-4 diesel engine, 1000mm long forks, automatic transmission, power steering, solid cushion tyres , head and tail lights, std tool kit, load back rest, tarpaulin canopy and drivers overhead guard	2	17.90	
	Optional Accessories - GX 300D	2	3.50	
	Godrej 5.0 tonnes capacity @ 600mm load center Diesel GX 500D MFH 3660, two stage clear view mast with	1	16.00	

(Rs. In Lakhs)

S. No.	Description	Nos.	Amount	Total Amount
	max. fork ht. of 3660mm, overall ht. lowered of 2700mm, dual drive (four ft. tyres) fitted with indegenious diesel engine, automatic transmission, 1200mm long forks, pneumatic tyres, head & tail lights, std tool kit and drivers overhead guard			
	Optional Accessories - GX 500D (SB)	1	0.60	
	Excise duty 14.42% + CST 2%		28.16	
	Total			199.66
18.	Heavy duty racks – 6000*2500*900	4	1.40	
	Heavy duty racks –6000*2500*900 add on 60	4	16.50	
	Heavy duty racks – 6000*2500*1000	4	1.65	
	Heavy duty racks – 6000*2500*1000 add on 60	4	18.50	
	Heavy duty racks – 6000*2500*1200	4	1.75	
	Heavy duty racks – 6000*2500*1200 add on 60	4	20.57	
	Heavy duty racks – 6000*2500*900	8	2.75	
	Heavy duty racks – 6000*2500*900 add on 60	120	34.65	
	Heavy duty racks – 6000*2500*1000	8	3.20	
	Heavy duty racks – 6000*2500*1000 add on 60	120	34.50	
	Heavy duty racks – 6000*2500*1200	8	3.20	
	Heavy duty racks – 6000*2500*1200 add on 60	120	41.34	
	Tie members – 3000 mml	192	5.00	
	Tie members – 3000 mml	19	2.30	
	Total			187.31
19.	CNC Bender Model CNC38BR 2	3	130.00	
	Total			130.00
20.	Injection moulding machine model sa 5300/4500	3	269.50	
	Total			269.50
21.	TNEB Hi Metering charges and Deposit charges	1	30.00	
	Supply installation and commissioning of HT Yard, fencing, four pole structure, Horn gap fse, double air brake switch, lightning arrestor, earthing ic, HT underground cable of size 3 core x 240sq mm complete as required	1	39.00	
	Supply, installation and testing & comm. Of HT panel, vacuum circuit breaker ic bus trunking comp. as required	1	42.00	
	Supply, installation and testing & comm. Of 1600KVA, dry type transformer comp. as required	1	48.00	
	Supply, installation and testing & comm. Of LT panel with (ACB) air circuit breaker, SDFU Switch disconnector fuse unit for substation comp. as required	1	45.00	
	Supply, installation and testing & comm. Of (APFC) Automatic power factor correction panel comp. as required	1	42.00	
	Supply, installation and testing & comm. Of LT panel with MCCB / SDFU for distribution to machines and lightening i/c U.G cables comp. as required	1	65.00	
	supply, installation and testing & comm. Of HT voltage connector to work on the range input 8 KV - 12 KV, output - 11KV comp. as required	1	45.00	
	Supply, installation and testing & comm. Of LT underground cable for distribution lighting and power wiring, lighting fixture comp. as required	1	62.00	
	Total			418.00
22.	CNC CMM C9106	3	132.12	
	2D LH 600DG	10	52.50	

(Rs. In Lakhs)

S. No.	Description	Nos.	Amount	Total Amount
	514-106 Height Gauge	3	1.92	
	530-502 Vernier Caliper	3	1.45	
	500-151-20 Vernier Caliper (150mm)	2	0.30	
	500-151-20 Vernier Caliper (200mm)	2	0.30	
	500-151-20 Vernier Caliper (450mm)	2	0.95	
	500-151-20 Vernier Caliper (600mm)	2	1.05	
	Micro Meter (0-150mm)	2	0.75	
	Micro Meter (150-300mm)	2	0.95	
	Micro Meter (300-400mm)	2	1.53	
	Micro Meter (400-500mm)	2	1.44	
	Bevel protractor	6	1.28	
	516-598 slip gauge	2	4.36	
	516-939 slip gauge	2	2.74	
	Total			203.64
	Grand Total			4,002.00

D. Research & Development

Presently the Company has assembled scooters up to 1500 watts motor power. Through the expansion project, the Company plans to have higher capacity electric scooters ranging from 2,000 watts to 3,000 watts motor power with long range of 150 to 200 KM on single charge. Further, it is proposed to have standardization and unification of spares for all types of electric scooters. The Company proposes to utilize the service of consultancy providers for providing technical consultancy services to the Company for the manufacture of higher capacity scooters and consultancy fees will be paid from the proceeds of the Issue.

The Research & Development cost is based on management estimates. The details of the expenditure are as under:

Particulars	Amount (Rs. In Lakhs)
New model development	318.00
Consultancy fee for Technology provider	150.00
Software and other facility expenses	100.00
Total	568.00

2. To meet the Long Term Working Capital requirements:

The working capital requirement has been calculated on the basis of additional working capital, which will be required after the implementation of expansion plans of our company. These expansion plans are expected to be completed in financial year 2012-2013. The additional working capital is required in the system in financial year 2011-12. We are proposing to meet our net working capital requirements to the extent of Rs. 700.00 Lakhs, from the proceeds of the Issue. Our proposed Working Capital requirement and funding for the same is given hereunder:

Particulars	Holding Period (In Days)	Audited for 2009-2010 (Rs. In Lakhs)	Holding Period (In Days)	Estimates for 2010-11 (Rs. In Lakhs)	Holding Period (In Days)	Projections for 2011-2012 (Rs. In Lakhs)
Current Assets						
Raw Material	320	82.10	310	70.60	45	350.00
Stocks in Process	93	21.08	131	31.20	7 - 15	40.00
Finished Goods	90	52.30	73	30.60	30	250.00
Receivables	213	187.17	662	319.35	30	250.00
Other Current Assets						25.00

Particulars	Holding Period (In Days)	Audited for 2009-2010 (Rs. In Lakhs)	Holding Period (In Days)	Estimates for 2010-11 (Rs. In Lakhs)	Holding Period (In Days)	Projections for 2011-2012 (Rs. In Lakhs)
Total Current Assets (1)		342.65		451.75		915.00
Current Liabilities						
Sundry Creditors	249	15.25	169	30.27	45	50.00
Other Liabilities		44.57		29.73		50.00
Total Current Liabilities (2)		59.82		60.00		100.00
Net Working Capital Requirement {(1) – (2)}		282.83		391.75		815.00
Funding Pattern						
Internal Accrual/ Other Borrowings		182.83		291.75		15.00**
Existing Axis Bank Cash Credit*		100.00		100.00		100.00
<i>Proceeds of the Issue</i>		<i>0.00</i>		<i>0.00</i>		700.00
Total		282.83		391.75		815.00

*Axis Bank Limited, SME Centre, 1st Floor, Karumuthu Nilayam, No. 192, Anna Salai, Chennai – 600 002, has sanctioned a loan to the tune of Rs. 100.00 Lakhs vide their sanction letter no AXISB/SME/CHN/243A/2010-11 dated March 25, 2011.

** For 2011 – 2012, we have considered only internal accruals and no other borrowings are envisaged.

Justification for holding period levels:

Raw Material: We source our raw materials locally as well as through imports of the same. The import of raw materials takes 45 to 60 days, before we receive the materials. The local materials can be obtained within a period of 15 to 21 days. We have to give advance payment for importing the raw material. Considering the above, we have taken 45 days as the holding period for Raw Materials. The holding period of 310 days will be reduced on proposed expansion of the operations and sourcing of the materials on an optimum basis depending on the future business operations of the company. The proposed reduction will also be contributed by the support for the greener environment based on renewable energy products.

Stocks in Process: The current level of stock in process is at 4.5 months of the existing cost of production. This is high due to the matching of the requirements of the customer and distributors. This higher level will be reduced by better production planning.

Finished Goods: Finished goods level of maintenance is getting reduced and the same rate of reduction is expected to be maintained in 2011-12, which explains the correspondingly reduced levels of 2011- 12 as indicated above.

Receivables: The level of receivables in 2010-11 is high due to slow level of movement of vehicles from the distributors end and the amount is expected to be realized in the financial year 2011-12, which explains the reduction in the corresponding value as stated above.

Current Liabilities: The levels are getting reduced in 2011-12 by way of more effective payment planning and are in line with the expected level of business in 2011-12.

All the above projections are based on management estimates and have not been appraised by any bank or financial institutions.

3. General Corporate Expenses:

We intend to use approximately [●] Lakhs from the Net Proceeds of the Issue towards general corporate expenses. Our Board of Directors will have the flexibility in sanctioning the utilization of these proceeds for general corporate purpose including assessment of new opportunities, expansion of our operations domestically, and / or internationally through the organic / inorganic route and other strategic initiatives.

Our Board of Directors will review various requirements from time to time and in response to the competitive and dynamic nature of the industry, our management will have the discretion to revise our business plan from time to time.

To the extent that we seek to advance on any of the above mentioned fronts, we will utilize part of the funds raised in this Issue towards this purpose. In the interim, if opportunities for inorganic growth or any other strategic initiatives arise these funds will be utilized for the said initiatives.

4. Issue Expenses

The expenses of the Issue includes, amongst others, lead manager's fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. All expenses with respect to the Issue will be borne out of Issue Proceeds. The breakup of the issue expenses is as under:

S. No.	Nature of Expenses	Amount *	% of the Issue Expenses*	% of the Issue Size*
1.	Lead Manager's Fees, Underwriting Commissions and Selling Commissions, SCSB's commission	[●]	[●]	[●]
2.	Advertising and Marketing Expenses	[●]	[●]	[●]
3.	Printing and Stationery	[●]	[●]	[●]
4.	Registrars fees, Legal Counsel	[●]	[●]	[●]
5.	Grading fees	[●]	[●]	[●]
6.	Fees payable to SEBI, Stock Exchanges etc.	[●]	[●]	[●]
7.	Others / Miscellaneous	[●]	[●]	[●]
	Total	[●]	[●]	[●]

* will be incorporated after finalization of the Issue Price

Pursuant to Regulation 26(7) of the SEBI ICDR Regulations, our Company needs to obtain grading for this IPO from at least one credit rating agency. In this regard we have appointed [●] and the total expenses for IPO Grading are estimated to be Rs. [●] Lakhs, which is [●] % of the Issue size.

Schedule of Implementation

The proposed schedule of implementation is detailed below:

S. No.	Activities	Commencement	Completion
1	Expansion of our existing facilities and setting up of new manufacturing unit for manufacturing of spare parts of electric scooters	August 2011	July 2012
2	Meeting the Long Term Working Capital requirements	November 2011	March 2012
3	General Corporate Expenses	[●]	[●]

Sources & Deployment of Funds

As per Certificate from our Statutory Auditor, M.A. Suryanarayanan & Co., Chartered Accountants, dated April 11, 2011, we have incurred an expenditure of Rs. 299.10 Lakhs (Rupees Two Hundred Ninety Nine Lakhs and Ten Thousand only) towards the objects mentioned in the Draft Red Herring Prospectus for the proposed Initial Public Offering of Kabirdass Motor Company Limited up to March 31, 2011. The breakup of the expenditure incurred till date is given as under:

(Rs. In Lakhs)	
Particulars	Amount
Sources of Funds	
Unsecured Loan from M/s. Regent Finance Corporation Private Limited*	299.10
Total	299.10
Deployment of Funds	
Issue Expenses	299.10
Total	299.10

*We have taken an unsecured bridge loan of Rs. 300.00 Lakhs from M/s. Regent Finance Corporation Private Limited, for meeting the Issue Expenses, this amount will be repaid from the Issue Proceeds after the completion of the Issue.

Appraisal

The funds requirement and funding plans are our own estimates and have not been appraised by any bank/ financial institution or appraising agency.

Bridge Loan

We have not raised any bridge loans which are required to be repaid from the Issue Proceeds, except as stated below:

Unsecured bridge loan of Rs.300.00 Lakhs granted by M/s. Regent Finance Corporation Private Limited, 60A, Chowringhee Road, Kolkata – 700 020, vide letter no. Nil dated July 7, 2010.

S. No.	Particulars	Terms and Condition
i	Fund Based Facility	Loan of Rs.300.00 Lakhs
ii	Purpose	Bridge Loan for meeting the expenses of Initial Public Offer (IPO)
iii	Rate of Interest	18.00 % p.a.
iv	Repayment	After completion of the Initial Public Offer (IPO)
v	Amount of Loan Outstanding as on December 31, 2010)	Rs.300.00 Lakhs

Interim Use of Funds

The management, in accordance with the policies set up by the Board, will have flexibility in deploying the proceeds received through the Issue. Pending utilization for the purposes described above, we intend to temporarily invest the funds in high quality interest or dividend bearing liquid instruments including deposits with banks for the necessary duration. Such investments would be in accordance with any investment criteria approved by our Board of Directors from time to time. Any revision / cancellation in deployment of funds on any of the objects of the issue shall be carried out after obtaining due approvals from shareholders /regulators etc.

Monitoring of Utilisation of Funds

Our Board will monitor the utilization of the proceeds of the Issue. No part of the proceeds from this Issue will be paid by us as consideration to our Promoters, our Directors or Key Managerial Personnel, except in the usual course of business. We will disclose the details of the utilisation of the proceeds, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements of our listing agreements with the Stock Exchanges and in particular Clause 49 of the listing agreement.

Furthermore, pursuant to Clause 49 of the listing agreements with the Stock Exchanges, we shall disclose to the Audit Committee, the uses and application of funds under the heads as specified above, on a quarterly basis as a part of the quarterly declaration of financial results. Further, on an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in the Prospectus, if any, and place it before the Audit Committee. Such disclosure shall be made only till such time that the full money raised through this Issue

has not been fully spent. This statement shall be certified by the statutory auditor of our Company. The Audit Committee shall make appropriate recommendations to the Board to take up steps in this matter. Our Company shall inform material deviations in the utilization of Issue Proceeds to the Stock Exchanges and shall also simultaneously make the material deviations/adverse comments of the Audit Committee public through advertisement in newspapers.

TERMS OF THE ISSUE

The Equity shares being offered are subject to the provision of the Companies Act, SEBI ICDR Regulations, our Memorandum and Articles of Association, the terms of this offer document, Bid-cum- Application Form, ASBA Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the Allotment advice and other documents /certificates that may be executed in respect of the Issue. The Equity shares shall also be subjected to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, RBI, ROC and /or other authorities as in force on the date of issue and to the extent applicable.

Terms of Payment

Applications should be for a minimum of [●] equity shares and [●] equity shares thereafter. The entire price of the equity shares of Rs. [●] per share (Rs. 10/- face value + Rs. [●] premium) is payable on application. In case of allotment of lesser number of equity shares than the number applied, the excess amount paid on application shall be refunded by us to the applicants.

Authority for the Issue

The issue of Equity Shares by our Company has been proposed by the resolution of the Board of Directors passed at their meeting held on February 14, 2011. The shareholders of our Company authorized and approved this Issue under Section 81(1A) of the Companies Act by a Special Resolution in the Extra-ordinary General Meeting of the Company held on March 14, 2011.

Ranking of Equity Shares

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

Face Value and Issue Price per Share

The Equity Shares having a face value of Rs. 10/- each are being offered in terms of this DRHP at a price of Rs. [●] per Equity Share. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialized form. In terms of existing SEBI Guidelines, the trading in the Equity Shares shall only be in dematerialized form for all investors. Since trading of the Equity Shares will be in dematerialized mode, the tradable lot is one Equity Share. Allocation and allotment of Equity Shares through this Offer will be done only in electronic form in multiples of 1 Equity Share subject to a minimum allotment of [●] Equity Shares to the successful bidders.

Minimum Subscription

If we do not receive the minimum subscription of 90% of the Issue to the Public including devolvement of the Underwriter, if any, within 60 days from the Bid/Issue Closing Date, 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 and every Director of our Company who is an officer in default, shall pay the amount with interest as prescribed under Section 73 of the Companies Act. If the number of allottees in the proposed Issue is less than 1,000 allottees, we shall forthwith refund the entire subscription amount received.

BASIS FOR ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the BRLM on the basis of assessment of market demand for the offered Equity Shares by the Book Building Process. The face value of the Equity Shares is Rs. 10 and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to the section “Risk Factors” on page 12 and “Financial Statements” on page 121 to get more informed view before making an investment decision.

Qualitative Factors:

- Established Brand Name
- Strong marketing & distribution network
- Sales Force Effectiveness
- Research & Development

For details, please refer to “Business Overview” beginning on page 82 of this Draft Red Herring Prospectus.

Quantitative Factors:

Information presented in this section is derived from the audited financial statement for the year ended March 31, 2008, 2009, 2010 and nine months ended December 31, 2010 in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for deciding the price, are as follows:

1. Weighted Average Earnings per Equity Share (of face value Rs. 10/- each)

Period	EPS (INR)	Weight
Year Ended March 31, 2008	(0.14)	1
Year Ended March 31, 2009	0.11	2
Year Ended March 31, 2010	(0.68)	3
Nine months Ended December 31, 2010	0.56	
Weighted Average (In Rs.)	(0.33)	

Notes:

- The basic and diluted EPS have been calculated in compliance with Accounting Standard - 20 issued by the Institute of Chartered Accountants of India.
- Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the period and after considering the dilutive potential of share application money.
- The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue.
- The face value of each Equity Share is Rs. 10

2. Price to Earnings Ratio (P/E) in relation to Issue Price of Rs. [●] per Equity Shares of Rs. 10/- each

Particulars	P/E ratio
P/E ratio in relation to the Floor Price	[●] times
P/E ratio in relation to the Cap Price	[●] times
P/E based on EPS for the year Ended March 31, 2010	[●] times
P/E based on Weighted average EPS	[●] times
Industry P/E*	
Highest (Hero Honda)	15.4 times
Lowest (TVS Motor Co.)	14.5 times
Industry Composite	15.3 times

* Source: Capital Market Vol. XXVI/03, April 04, 2011 – April 17, 2011; Sector: Automobiles-Motorcycles/Mopeds

3. Return on Net Worth

Period	RoNW (%)	Weight
Year Ended March 31, 2008	(0.73)	1
Year Ended March 31, 2009	1.26	2
Year Ended March 31, 2010	(11.87)	3
Nine months Ended December 31, 2010	4.29	
Weighted Average (%)	(5.64)	

Note: RoNW has been calculated by dividing net profit after tax, as restated, by the Net Worth as restated at the end of the year.

4. Minimum Return on Total Net Worth after Issue required to maintain Pre-issue EPS for the year ended March 31, 2010

At the Floor Price:	[●] %
At the Cap Price	[●] %

5. Net Asset Value (NAV) per Equity Share (of face value Rs. 10 each)

NAV per Equity Share as on March 31, 2010	Rs. 5.74
NAV per Equity Share as on December 31, 2010	Rs 12.35
NAV per Equity Share after the Issue	[●]
Issue Price	[●]

Note: (a) The NAV has been calculated by dividing the net worth, as restated, by the number of Equity Shares outstanding at the end of the year.

6. Comparison with Industry Peers

The comparable ratios of the companies which are to some extent similar in business are given as follows:

<i>Name of our company</i>	<i>Face Value (INR)</i>	<i>EPS (INR)</i>	<i>P/E</i>	<i>RoNW (%)</i>	<i>Book value per share (INR)</i>
Kabirdass Motor Company Limited (as on 31.3.2010)	10.00	(0.68)	[●]	(11.87)	5.74
PEER GROUP					
Hero Honda	2.00	85.7	15.4	61.4	173.5
Kinetic Engg.	10.00	[●]	[●]	[●]	52.1
TVS Motor Co.	1.00	2.3	14.5	13.3	18.2

* Source: Capital Market Vol. XXVI/03, April 04, 2011 – April 17, 2011; Sector: Automobiles-Motorcycles/Mopeds

7. The face value of Equity Shares of Kabirdass Motor Company Limited is Rs. 10/- and the Issue Price is [●] times of the Face Value.

The Issue Price of Rs. [●] per Equity Share has been determined by the issuer in consultation with the BRLM to the issue on the basis of the demand from investors through Book Building Process and is justified based on the above factors. The face value of the Equity Shares is Rs. 10/- each. The Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. On the basis of the above parameters the Issue Price of Rs. [●] per share is justified.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors,
Kabirdass Motor Company Limited
No. 16, Poonamallee High Road,
Velappanchavadi,
Chennai – 600 077.

We M/s. Raghu & Murali, Chartered Accountants are the Peer Review Auditors of M/s. Kabirdass Motor Company Ltd having its registered office at No-16, Poonamallee High Road, Velappanchavadi, Chennai - 600077. We hereby certify that under the current tax laws, the following tax benefits inter-alia, will be available to the Company and the members of the Company. However a member is advised to consider in his/her/its own case the tax implications of an investment in the Equity Shares, particularly in view of the fact that certain recently enacted legislation may not have direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

As per the existing provisions of the Income Tax Act 1961 and other laws as applicable for the time being in force, the following tax benefits and deductions are and will, inter-alia be available to M/s. Kabirdass Motor Company Ltd and its shareholders.

We believe that there are no special tax benefits available to the Company and its shareholders.

GENERAL TAX BENEFITS AVAILABLE:

A. To the Company

1. Dividend income (whether interim or final), in the hands of the Company as distributed or paid by any other company is completely exempt from tax in the hands of the Company, under section 10(34) of the Income Tax Act 1961.
2. Long-term capital gains would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) as per the provisions of section 112(1)(b) of the Income Tax Act.1961 However, as per the proviso to Section 112(1), the long term capital gains resulting on transfer of listed securities or units, or zero coupon bonds (not covered by section 10(36) and 10(38)), would be subject to tax at the rate of 20% with indexation benefits or 10% without indexation benefits (plus applicable surcharge and education cess) as per the option of the assessee.
3. Long term capital gain arising from the sale of equity shares in any company through a recognized stock exchange or from the sale of units of an equity oriented fund shall be exempt from Income Tax, if such sale takes place after 1st of October 2004 and such sale is subject to Securities Transaction tax, as per the provisions of section 10(38) of the Income Tax Act.
4. As amended by Finance Act, 2010, Short term capital gains arising from the transfer of equity shares in any company through a recognized stock exchange or from the sale of units of equity-oriented fund shall be subject to tax @ 15% (plus applicable surcharge and education cess) provided such a transaction is subject to Securities Transaction Tax, as per the provisions of section 111A of the Income Tax Act.
5. In accordance with and subject to the conditions and to the extent specified in Section 54EC of the Income Tax Act 1961, the Company would be entitled to exemption from tax on gains arising from transfer of the long term capital asset [not covered by section 10(36) and section 10 (38)], if such capital gain is invested in any of the long-term specified assets in the manner prescribed in the said section.
6. Where the long-term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long-term specified asset is transferred or converted into money.
7. In accordance with and subject to the provisions of section 32 of the Income tax Act, 1961 the Company

will be allowed to claim depreciation on specified tangible and intangible assets as per the rates specified. The Company is eligible to claim depreciation at the rate of 80% for the Plant and Machinery referred in the schedule which is classified as Renewable Energy Equipments.

8. In accordance with and subject to the provisions of section 35D of the Income tax Act, the Company will be entitled to amortise, over a period of five years, all expenditure in connection with the proposed public issue subject to the overall limit specified in the said section.
9. Under Section 115JAA(3) of the Act, the amount of tax credit determined under sub-section (2) shall be carried forward and set off in accordance with the provisions of sub-sections (4) and (5) but such carry forward shall not be allowed beyond the fifth assessment year immediately succeeding the assessment year in which tax credit becomes allowable under sub-section (1).
10. Under Section 115 JAA (3A) of the Act, tax credit shall be allowed of any tax paid (MAT) under Section 115 JB of the Act. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. Such MAT credit shall not be available for set-off beyond 10th assessment year immediately succeeding the assessment year in which the tax credit becomes allowable.

B. To Resident Shareholders

1. Dividend (whether interim or final) declared, distributed or paid by the Company is completely exempt from tax in the hands of the shareholders of the Company as per the provisions of section 10(34) of the Income Tax Act 1961.
2. Any income of minor children clubbed with the total income of the parent under section 64(1A) of the Income Tax Act 1961, will be exempt from tax to the extent of Rs. 1500 per minor child under section 10(32) of the Income Tax Act, 1961.
3. As per the provisions of Section 112(1) (a) of the Income Tax Act 1961, long-term capital gains would be subject to tax at the rate of 20% (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1)(b), the long term capital gains resulting on transfer of listed securities or units [not covered by sections 10(36) and 10(38)], would be subject to tax at the rate of @ 20% with indexation benefits or 10% without indexation benefits (plus applicable surcharge and education cess) as per the option of the assessee.
4. Long term capital gain arising from the sale of equity shares in any company through a recognized stock exchange or from the sale of units of an equity oriented mutual fund shall be exempt from Income Tax if such sale takes place after 1st of October 2004 and the sale is subject to Securities Transaction tax, as per the provisions of section 10(38) of the Income Tax Act 1961.
5. As amended by Finance Act, 2010, Short term capital gains arising from the transfer of equity shares in any company through a recognized stock exchange or from the sale of units of equity-oriented fund shall be subject to tax @ 15% provided such a transaction is entered into after the 1st day of October, 2004 and the transaction is subject to Securities Transaction Tax, as per the provisions of section 111A of the Income Tax Act 1961.
6. In accordance with and subject to the conditions and to the extent specified in Section 54EC of the Income Tax Act 1961, the shareholders would be entitled to exemption from tax on long term capital gains arising on transfer of their shares in the Company (not covered by sections 10(36) and 10(38)), if such capital gain is invested in any of the long term specified assets in the manner prescribed in the said section. Where the long-term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long-term specified asset is transferred or converted into money.
7. In case of a shareholder being an individual or a HUF, in accordance with and subject to the conditions and to the extent specified in Section 54F of the Income Tax Act 1961, the shareholder would be entitled to exemption from long term capital gains on the sale of shares in the Company (not covered by sections 10(36) and 10(38)), upon investment of net consideration in purchase/construction of a residential house. If

part of net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on a proportionate basis.

C. To Non-Resident Indian Shareholders (Other Than Mutual Funds, FIIs, Foreign Venture Capital Investors)

1. Dividend (whether interim or final) declared, distributed or paid by the Company is completely exempt from tax in the hands of the shareholders of the Company as per the provisions of section 10(34) of the Income Tax Act 1961.
2. Any income of minor children clubbed with the total income of the parent under Section 64(1A) of the Income Tax Act 1961 will be exempt from tax to the extent of Rs. 1,500 per minor child per year in accordance with the provisions of section 10(32) of the Income Tax Act 1961.
3. In the case of shareholder, being a non-resident Indian and subscribing to shares in convertible foreign exchange, in accordance with and subject to the conditions and to the extent specified in Section 115D read with Section 115E of the Income Tax Act 1961, long term capital gains arising from the transfer of shares of an Indian Company (not covered by sections 10(36) and 10(38)), will be subject to tax at the rate of 10% as increased by a surcharge and education cess at an appropriate rate on the tax so computed, without any indexation benefit but with protection against foreign exchange fluctuation.
4. In case of a shareholder being a non-resident Indian, and subscribing to shares in convertible foreign exchange in accordance with and subject to the conditions and to the extent specified in Section 115F of the Income Tax Act 1961, the non-resident Indian shareholder would be entitled to exemption from long term capital gains (not covered by sections 10(36) and 10(38)) on the transfer of shares in the Company upon investment of net consideration in modes as specified in sub-section (1) of Section 115F.
5. In accordance with the provisions of Section 115G of the Income Tax Act 1961, Non Resident Indians are not obliged to file a return of income under Section 139(1) of the Income Tax Act 1961 if their only source of income is income from investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Income Tax Act 1961.
6. In accordance with the provisions of Section 115H of the Income Tax Act 1961, when a Non Resident Indian become assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer along with his return of income for that year under Section 139 of the Income Tax Act 1961 to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
7. As per the provisions of section 115 I of the I.T. Act, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income for that year under Section 139 of the Income Tax Act 1961, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Income Tax Act 1961.
8. In accordance with and subject to the conditions and to the extent specified in Section 112(1) (c) (read with proviso) of the Income Tax Act 1961, tax on long term capital gains arising on sale on listed securities or units not covered by sections 10(36) and 10(38) will be, at the option of the concerned shareholder, 10% of capital gains (computed without indexation benefits) or 20% of capital gains (computed with indexation benefits) as increased by a surcharge and education cess at an appropriate rate on the tax so computed in either case.
9. As per the provisions of section 10(38), long term capital gain arising from the sale of equity shares in any company through a recognised stock exchange or from the sale of units of an equity oriented mutual fund shall be exempt from Income Tax if such sale takes place after 1st of October 2004 and such sale is subject to Securities Transaction tax.
10. As per the provisions of section 111 A, Short Term capital gains arising from the transfer of equity shares in any company through a recognised stock exchange or from the sale of units of equity-oriented fund

shall be subject to tax @ 15% (plus applicable surcharge and education cess) provided such a transaction is entered into after the 1st day of October, 2004 and the transaction is subject to Securities Transaction Tax.

11. In accordance with and subject to the conditions and to the extent specified in Section 54EC of the Income Tax Act 1961, the shareholders would be entitled to exemption from tax on long term capital gains (not covered by sections 10(36) and 10(38)) arising on transfer of their shares in the Company if such capital gain is invested in any of the long term specified assets in the manner prescribed in the said section. Where the long-term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the specified asset is transferred or converted into money.
12. In case of a shareholder being an individual or a HUF, in accordance with and subject to the conditions and to the extent specified in Section 54F of the Income Tax Act 1961, the shareholder would be entitled to exemption from long term capital gains (not covered by sections 10(36) and 10(38)) on the sale of shares in the Company upon investment of net consideration in purchase/ construction of a residential house. If part of net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on proportionate basis. Further, if the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier, would become chargeable to tax as long term capital gains in the year in which such residential house is transferred.
13. As per the provisions of Section 90(2) of the Income Tax Act 1961, the provisions of the Income Tax Act 1961 would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non-Resident.

D. To Other Non-Residents

1. Dividend (whether interim or final) declared, distributed or paid by the Company is completely exempt from tax in the hands of the shareholders of the Company, under section 10(34) of the Income Tax Act 1961.
2. Any income of minor children clubbed with the total income of the parent under Section 64(1A) of the Income Tax Act 1961 will be exempt from tax to the extent of Rs. 1500 per minor child per year, in accordance with the provisions of section 10(32) of the Income Tax Act 1961.
3. In accordance with and subject to the conditions and to the extent specified in Section 112(1) (c) of the Income Tax Act 1961, tax on long term capital gains arising on sale on listed securities or units will be, at the option of the concerned shareholder, 10% of capital gains (computed without indexation benefits) or 20% of capital gains (computed with indexation benefits) as increased by a surcharge and education cess at an appropriate rate on the tax so computed in either case.
4. As per the provisions of section 10(38), long term capital gain arising from the sale of equity shares in any company through a recognised stock exchange or from the sale of units of an equity oriented mutual fund shall be exempt from Income tax, if such sale takes place after 1st of October 2004 and such sale is subject to Securities Transaction tax.
5. As per the provisions of section 111 A, Short Term capital gains arising from the transfer of Equity Shares in any company through a recognized stock exchange or from the sale of units of equity-oriented fund shall be subject to tax @ 15%, (plus applicable surcharge and education cess) provided such a transaction is entered into after the 1st day of October, 2004 and the transaction is subject to Securities Transaction Tax.
6. In accordance with and subject to the conditions and to the extent specified in Section 54EC of the Income Tax Act 1961, the shareholders would be entitled to exemption from tax on gains arising on transfer of their shares in the Company (not covered by sections 10(36) and 10(38)) if such capital gain is invested in any of the long term specified asset in the manner prescribed in the said section.

Where the long term asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become

chargeable to tax as long term capital gains in the year in which the long-term specified asset is transferred or converted into money.

7. In case of a shareholder being an individual or a HUF, in accordance with and subject to the conditions and to the extent specified in Section 54F of the Income Tax Act 1961, the shareholder would be entitled to exemption from long term capital gains (not covered by sections 10(36) and 10(38) on the sale of shares in the Company upon investment of net consideration in purchase/construction of a residential house. If part of net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on a proportionate basis.

Further, if the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred.

8. As per the provisions of Section 90(2) of the Income Tax Act 1961, the provisions of the Income Tax Act 1961 would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non Resident.

E. To Foreign Institutional Investors (FIIS)

1. In case of a shareholder being a FIIs, in accordance with and subject to the conditions and to the extent specified in Section 115AD of the Income Tax Act 1961, tax on long term capital gain (not covered by sections 10(36) and 10(38) will be 10% and on short term capital gain will be 30% as increased by a surcharge and education cess at an appropriate rate on the tax so computed in either case.

However short term capital gains on sale of Equity Shares of a Company through a recognized stock exchange or a unit of an equity oriented fund effected on or after 1st October 2004 and subject to Securities transaction tax shall be taxed @ 15% (plus applicable surcharge and education cess) as per the provisions of section 111A. It is to be noted that the benefits of Indexation and foreign currency fluctuation protection as provided by Section 48 of the Income Tax Act 1961 are not available to FIIs.

2. As per the provision of Section 90(2) of the Income Tax Act 1961 the provisions of the IT Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non Resident.
3. Long term capital gain arising from the sale of Equity Shares in any company through a recognized stock exchange or from the sale of units of an equity oriented fund shall be exempt from income tax, if such sale takes place after 1st of October 2004 and such sale is subject to Securities Transaction tax, as per the provisions of section 10(38) of the Income Tax Act 1961.
4. In accordance with and subject to the conditions and to the extent specified in section 54EC of the Income Tax Act 1961, the shareholders would be entitled to exemption from tax on long term capital gains (not covered by sections 10 (36) and 10(38) arising on transfer of their shares in the Company, if such capital gain is invested in any of the long term specified assets in the manner prescribed in the said section. Where the long term specified assets is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long term specified asset is transferred or converted into money.
5. Under section 196D(2) of the Act, no deduction of tax at source will be made in respect of income by way of capital gains arising from the transfer of securities referred to in section 115AD(1)(b).

F. To Mutual Funds

In case of a shareholder being a Mutual fund, as per the provisions of Section 10 (23D) of the Income Tax Act 1961, any income of Mutual Funds registered under the SEBI Act or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India would be exempt from Income Tax, subject to the conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

G. To Venture Capital Companies/ Funds

In case of a shareholder being a Venture Capital Company/ Fund, as per the provisions of Section 10(23FB) of the Income Tax Act 1961, any income of Venture Capital Companies/ Funds registered with the SEBI, would be exempt from Income Tax, subject to the conditions specified in the said subsection.

BENEFITS UNDER THE WEALTH TAX ACT, 1957:

As per the prevailing provisions of the above Act, no Wealth Tax shall be levied on value of shares of the Company.

Notes:

1. All the above benefits are as per the current tax laws as amended by the Finance Act, 2010 and will be available only to the sole/ first named holder in case the shares are held by joint holders.
2. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the double taxation avoidance agreements, if any, between India and the country in which the non-resident has fiscal domicile.
3. In view of the individual nature of tax consequences, each investor is advised to consult his/ her own tax advisor with respect to specific tax consequences of his/ her participation in the scheme.
4. Tax implications of an investment in the Equity Shares, particularly in view of the fact that certain recently enacted legislations may not have direct legal precedent or may have a different interpretation on the benefits which an investor can avail.
5. Our views expressed herein are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

**For Raghu & Murali,
Chartered Accountants**

Place: Chennai
Date: March 31, 2011

(CA Muralidharan D.V)
(Partner)
Membership No: 018484
Firm Registration No.: 007564 S
Peer Review No.: 002063

SECTION VI – ABOUT US

INDUSTRY OVERVIEW

The information in this section has been extracted from the websites of and publicly available documents from various sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the Issue has independently verified the information provided in this chapter. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.

Electric Bike: Introduction

An electric bike is a battery operated vehicle with low maintenance cost and zero pollution. Electric two wheelers make use of rechargeable batteries, which converts electrical energy into mechanical energy. The battery of an electric vehicle can be charged easily using a power connection.

Features of Electric Bikes and Scooters

Some of the advantages of electric bikes and scooters are as follows:

- License and registration is not required for electric bikes and scooters below 250 Watts.
- Electric two wheelers run on re-chargeable battery and uses electricity as fuel in place of conventional Petrol/Diesel.
- Electric bikes and scooters can beat the rising prices of Petrol/Diesel.
- Simple in design, light weight and economical electric vehicles are very low in running and maintenance cost.
- With the ease of handling, electric two wheelers save the commuting time in congested roads especially in urban areas.
- Electric vehicles are more efficient in terms of generating usable energy from their electric engine's battery in comparison to the regular fuel conversion. In this way electric bikes and scooters are innovative and efficient mode of personal transport.
- Electric bikes or scooters use electricity therefore no emission of harmful gases like Carbon dioxide (CO₂) or Nitrogen dioxide (NO₂).

Major Components of an Electric Bike or Scooter

Electric Hub Motor to drive the rear wheel directly. There are two types of electric hub motors i.e. DC Brush Motor and DC Brush Less Motor having two basic parts namely Permanent Magnet Stator and Wound Rotor.

Electronic Motor Controller is the central controlling unit of any electric two wheelers provides electric power to the motor based on inputs from the accelerator.

Electronic Accelerator sends electronic signals to the Electronic Motor Controller to maneuver the bike or scooter.

Battery Pack is like the fuel tank of electric bike or scooter. There are different kinds of batteries like Lead Acid, Nickel Metal Hydride (Ni-MH), Lithium, etc. that are used for supplying energy.

Battery Charger is used to charge the battery pack of electric bikes or scooters, just like a mobile phone or a laptop. Some battery chargers are in-built and some are separate. The charger converts an AC supply to DC to store power in the battery and it can be used with any normal domestic AC plug point. This makes charging of battery pack easy and convenient.

(Source: <http://www.surfindia.com/automobile/electric-bikes-scooters.html>)

IEA 2010 Outlook for Hybrid and Electric Vehicles

IEA's '2010 Outlook for hybrid and electric vehicles' states certain governmental and other measures that have an impact on the development and deployment of hybrid & electric vehicle. Some of the governmental measures are as follows:

1. Strategies for clean energy technologies.
2. Funding of research and innovation in industry and research organizations.
3. Regulation & Legislation: The characteristics of products that are put on the market are strongly influenced by regulations & legislations.
4. Financial Incentives: Cost is the factor that influence purchase decision. Therefore subsidies and tax reductions can be very effective in helping a new and initially costly technology take off.
5. Deployment and Demonstration projects: By supporting deployment and demonstration projects government contribute to the development of new vehicle technologies for the market.

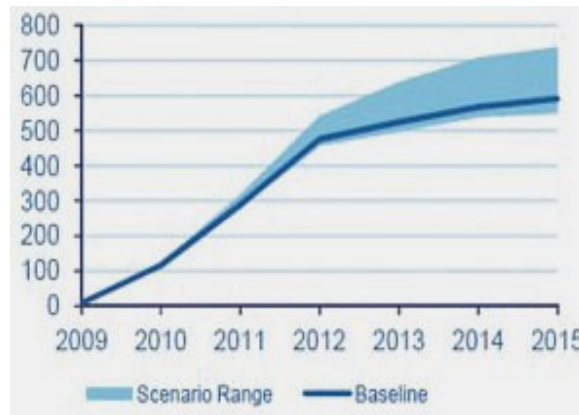
Other measures include:

1. Public awareness; Popularity; Acceptance; Opinion: When people are convinced of the advantages of new technology, they will create a market pull. When demand for electric cars are large enough, industry will start producing such vehicles. By talking about their experiences they have an impact on the general opinion and may contribute to increase the popularity of an unconventional products such as electric vehicles.
2. Industry activity- Availability of Vehicles: As long as there are no electric vehicles available, governmental rules and incentives and market demand cannot result in the deployment of electric vehicles.
3. Infrastructure: For the deployment of battery electric vehicles and plug in hybrid electric vehicles, the presence of a public recharging infrastructure plays a role. Even though for the first group of electric vehicle owners, and for most of the trips, overnight battery charging from a standard outlet would be sufficient, the visibility of public recharging points significantly reduces the range anxiety of electric vehicle drivers.
4. Further it can be mentioned that collaboration between the different stakeholders involved could lower the hurdles for deployment of electric vehicles. And of course the economic situation impacts the market for hybrid and electric vehicles.

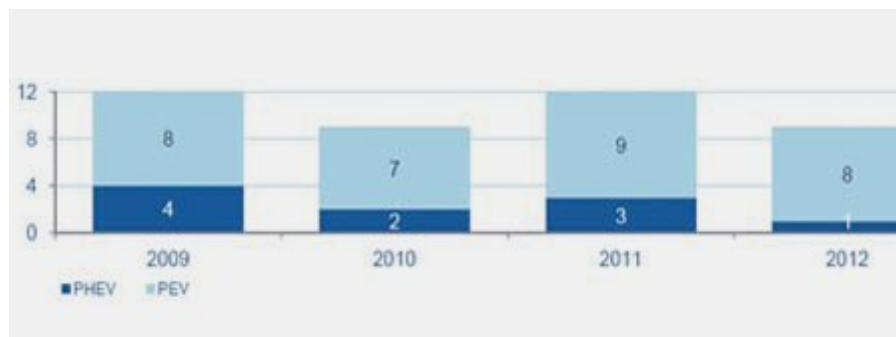
(Source: http://www.ieahev.org/pdfs/IA-HEV_Outlook_2010.pdf)

Global Scenario

EVs offer the promise of reducing automotive related emissions, but the environmental equation will remain incomplete until an abundance of clean energy sources reach high levels of utilization. While an EV may emit less pollution than its petrol powered equivalent, the energy source from which its electricity is derived could offset any material gains. Lack of infrastructure is also a major roadblock to near-term EV penetration, as a network of charging stations and battery swap locations will be needed to service any significant number of EVs. Navigating the logistics will be challenging and costly, and will undoubtedly take a number of years to implement. As a result, some automakers are offering PHEVs (plug-in hybrid electric vehicles) with an internal combustion generator to mitigate "range anxiety" and bridge the gap until a robust charging network is developed. Despite substantial private investment in enabling technologies, continued government support will be required to advance progress in the areas of battery performance and cost reduction. Because the price premiums associated with today's EV offerings are prohibitive for the majority of mainstream consumers, further financial incentives will likely be needed to increase EV accessibility.



Global EV Scenario Assembly Forecast
2009 - 2015 (Thousands)
(Source: PwC AUTOFACTS 2009 Q4 Data Release)



Global EV Introductions - PHEV & PEV
2009 - 2012 (# of models)
(Source: PwC AUTOFACTS 2009 Q4 Data Release)

(Source: <http://www.omnexus.com/resources/editorials.aspx?id=24270>)

The growing potential of electric vehicles is clear from the introductions to the market by both new and established manufacturers, as well as the heavy investment in battery technology. The depth and speed at which electric vehicles will be able to penetrate the market will rely on several factors, but there remains little doubt that this technology will have a significant impact on the automotive industry moving forward. Climate change is an inescapable challenge for world leaders and while the issue of global warming remains highly debated, there is evidence to support the environmental impact of carbon emissions. The auto industry is responsible for 15 percent of global carbon emissions, amounting to roughly 8 billion tons annually. Although environmental protection has been the primary driver for change, other factors such as the price volatility of fossil fuels and energy independence have also helped perpetuate a change to alternative and renewable energy sources.

(Source: <http://www.pwc.com/gx/en/press-room/2009/future-electric-for-auto-industry.jhtml>)

Growth Inhibitors

Because the concept of mass vehicle electrification is fairly new to the automotive sector, continued R&D funding is necessary to increase efficiencies and decrease consumer cost. Major automakers and suppliers typically allocate between 1.5 percent and 6 percent of revenue to R&D expenditures.

With relatively new technology and low sales volumes, significantly higher costs will be incurred by consumers purchasing electric vehicles compared with vehicles powered by a traditional internal combustion engine. The cost differential can range from \$7,000 to \$20,000 USD depending on the type of vehicle under consideration. Most of this premium is directly attributable to the raw materials that comprise the vehicle's battery. The

extraction of the active battery components such as lithium and graphite, as well as the manufacturing and recycling process, contribute to a large portion of the cost. An appeal to consumers is that the cost savings realised from using electricity rather than gasoline will amortize quickly enough to offset the higher transaction price.

As vehicle electrification continues to emerge, significant changes within the industry are likely to happen alongside the rollout. In addition to the need for a network of recharging stations, fundamental changes to the traditional business model of automobile ownership should be considered as well. For example, some have proposed a battery swap program in lieu of waiting for a battery to charge.

Now that the automotive manufacturer playing field has expanded, no traditional automaker has a significant advantage over another, which enables new entrants to compete.

The changing geography of the automotive industry also represents an opportunity for traditional players in emerging markets. Chinese automakers, for example, understand it will behoove them to focus on developing electric vehicles rather than committing major resources to catching up on internal combustion engine standards.

(Source: <http://www.pwc.com/gx/en/press-room/2009/future-electric-for-auto-industry.jhtml>)

Indian Scenario

The electric vehicle market comprising of electric cars and two-wheelers is expected to witness strong growth. A large number of international and domestic players have plans to enter the market and capitalize on the rising demand for alternative fuel vehicles in India.

(Source: <http://www.prlog.org/10848002-electric-vehicle-market-in-india-2010.html>)

On the back of the incentive package for electric vehicles announced by the Ministry of New and Renewable Energy in November 2010, average monthly sales of electric two-wheelers has risen 20 per cent, says Sohinder Gill, director, Society of Manufacturers of Electric Vehicles.

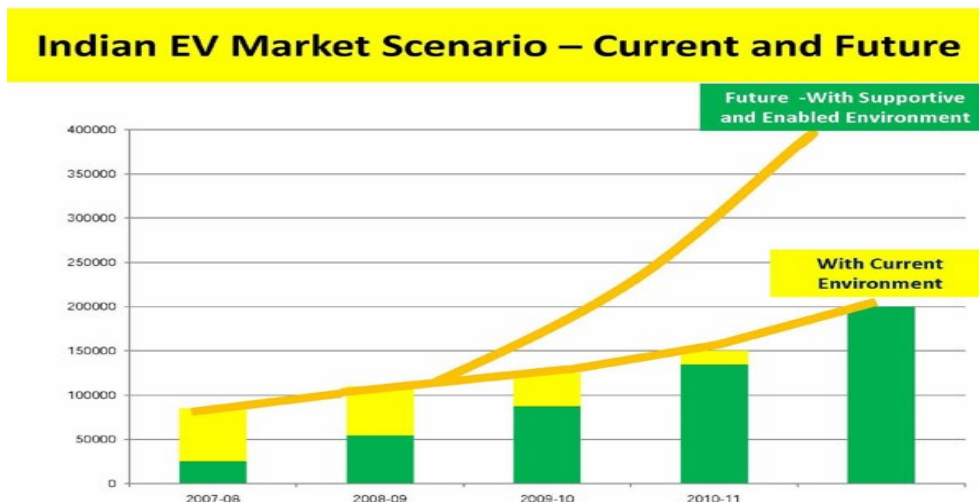
Under the Rs 95-crore scheme, the government is providing incentives of up to 20 per cent on ex-factory prices of electric vehicles sold in India during the remaining part of the 11th Plan (ending March 2012), with a cap of Rs. 4,000 for low-speed, two-wheelers and Rs. 5,000 for high-speed ones. The price of an electric bike varies between Rs. 25,000 and Rs. 40,000, depending on the speed range.

For 2010-11, the government will support sales of 20,000 units and 10,000 units of low-speed and high-speed two-wheelers, respectively, while it will be 80,000 units and 20,000 units in 2011-12.

Apart from the subsidy, Gill said the proposed budget sops like full exemption from basic customs duty and a concessional rate of central excise duty of four per cent on batteries imported by manufacturers would also help the sector in doubling sales by the year end.

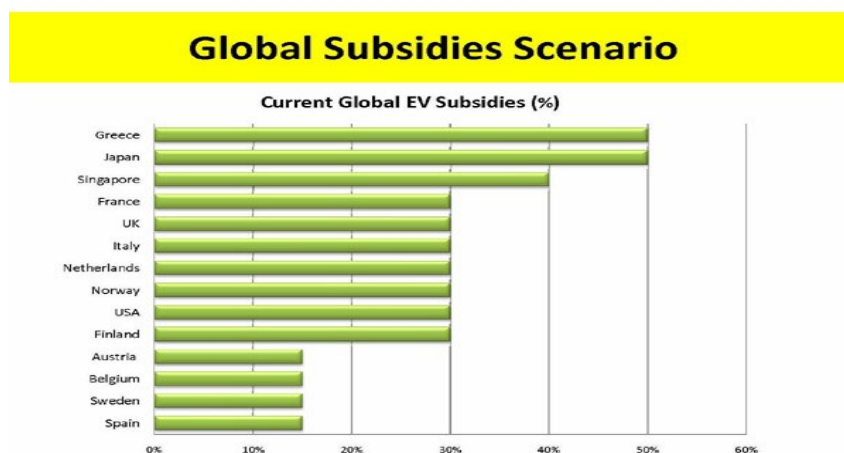
The electric two-wheeler market had annual sales of around 85,000 units in 2010, of which 65,000 units were sold by the organised sector.

(Source: <http://www.business-standard.com/india/news/electric-two-wheeler-sales20-after-subsidies/429473/>)



(Source: Society of Manufacturers of Electric Vehicles.)

The Ministry of New and Renewable Energy will pay up to 20% of the ex-factory price of these vehicles, which the manufacturers are expected to pass on to buyers, in return, the manufacturers will have to use at least 30% indigenous content in the vehicles, maintain a sizeable retail operation and after-sales service outlets.



(Source: Society of Manufacturers of Electric Vehicles.)

SMEV's Sohinder Gill expects sales to rise by a marginal 2-3% in the current fiscal.

Sohail Akhtar, deputy director at the Ministry of New and Renewable Energy, said the ministry is working on a broader policy to encourage the use of electric vehicles in collaboration with other ministries.

(Source: <http://www.livemint.com/2010/11/23000806/Govt-to-give-incentives-to-ele.html?atype=tp>)

Budget 2011: Electric Vehicles Get a Push

Against 90 Lakhs petrol two-wheelers sold in 2009-10, electric bikes are just 1 Lakh in numbers. While the numbers grew to 1 Lakh in 2008-09, they dropped to 90,000 in 2009-10. The category got a push recently after a central subsidy of Rs 4,000-5,000 on all two-wheeler EVs and Rs 1 Lakh on e-cars. The industry expects to close this fiscal at 1 Lakh units against 115 Lakh petrol two-wheelers.

(Source: <http://www.zigwheels.com/news-features/news/union-budget-2011-electric-vehicles-get-a-push/7620/1>)

The 2011 Union Budget seems to certainly be a rosy one, at least for the electric and hybrid vehicle space as a slew of measures to reduce the overall cost of Electric and Hybrid vehicles along with popularizing them kicks in. One such measure is the adoption of many smaller cities as EV cities. Through this, the government will earmark many tourist towns which will use electric and hybrid vehicles for transport of tourists

Along with this, hybrid cars being manufactured in India will be incentivized with a excise duty cut of 5%. Hybrid car part imports also will be exempted from the regular custom duty of 10%. That essentially translates to cheaper spare parts for the likes of the Toyota Prius Hybrid and the Honda Civic Hybrid. Hybrid conversion kits, which will enable conventional cars to be converted to hybrid cars, will also see a see the excise duty being cut from 10% to 5%.

Going forward, such kits will thus get cheaper hence making hybrid conversions cheaper. Also, replacement batteries for EVs get cheaper as the central excise duty and the basic custom duty stands waived. Hydrogen powered vehicles also will get a straight 10% waiver on the excise duty front. With these measures, the Indian government hopes that more fuel saving and environment friendly hybrid vehicles will be sold and manufactured in India.

(Source: <http://www.indiancarsbikes.in/auto-news/electric-hybrid-cars-budget-sops-30131/>)

The Future of Electric Vehicles in INDIA

Against the backdrop of environmental concerns and depleting resources, it is imperative not only to preserve what's left but find new alternatives to drive engines of growth in the economy. The effort, however, requires a collaborative approach by the government, regulatory authorities industry, R&D institutions and the community. Rise in economic activity and population has led to a tremendous demand in the transport sector especially in urban India. By 2020, India's population in cities is expected to grow five-fold to a staggering 200 million while pollution is expected to grow by seven times. With this tremendous growth has emerged a very critical issue of keeping air and noise pollution in urban areas under control.

The Pocket friendly Electric Scooter					
Avg running of 60 kms per day	Petrol driven Scooter		Electric Scooter		Savings by using Electric scooter over Petrol Scooter Rs.
Daily running cost in Rs.	60 km in 1.33 ltr @ Rs.44 / ltr	58.52 (\$1.27)	Av. 60 km in 1 unit of charge, costing Rs. 5 of Electricity	5.00 (\$0.11)	
Daily maintenance cost	Rs.200 per month	6.67 (\$0.15)	Rs.50 per month	1.67 (\$0.04)	
Daily cost of major repairs/ replacements in Rs.	Rs. 2500 in Engine overhauling once in 3 years i.e. after 60000 kms	2.25 (\$0.05)	Cost of Rs. 6500 Battery replacement (incl buy back)	21.67 (\$0.5)	
Daily	Cost for a petrol scooter	67.44	Cost for Electric scooter	28 (\$0.6)	
Monthly	Cost for a petrol scooter	2023 (\$44)	Cost for Electric scooter	850 (\$18.47)	
Yearly	Cost for a petrol scooter	24278 (\$528)	Cost for Electric scooter	10200 (\$222)	
					34 (\$0.74)
					1014 (\$22)
					14078 (\$306)

(Source: *Society of Manufacturers of Electric Vehicles*)

If we can have three lakh electric vehicles on the roads by 2020, including three-wheelers, cars, and scooters, this could result in a reduction of over 16 lakh metric tons of CO, NOx & HC by 2020, and savings of over Rs. 3,70,000 Lakhs in foreign exchange and significant health costs savings. EVs are zero polluting, easy to handle and have low running and maintenance costs.

Small electric buses, three wheelers and electric scooters are ideal for city mobility in India but it could take between 5 and 10 years before they become viable for commercial use. Many local auto manufacturers such as

REVA, Mahindra & Mahindra and Eko Scooters are embarking on alternate fuel transportation programs to combat air pollution in India.

According to a research study conducted by the **Freedonia Group**, it is estimated that alternative fuel vehicles would reach global sales of over 1.6 million units and \$39 billion by 2009.

Battery technologies such as Sodium Nickel Chloride and Lithium Ion will increase the range of EV two to three fold. Fuel cells will remove this restriction altogether as they will be able to generate electricity instantaneously as soon as hydrogen is made available in cylinders at hydrogen filling stations. Next generation motors and electronics will reduce costs and increase performance by 15%. Battery leasing and selling of energy will further lower product costs and increase market share. Higher volumes of EVs will reduce costs by 10-15%.

India also has the maximum market potential for EVs owing to an established auto component infrastructure, low manufacturing and R&D costs, mechanical hardware availability, high urban congestion and the presence of a large domestic market. The industry could significantly gain from rising exports by 2010 and with appropriate government support, could transform the landscape of urban India by reducing pollution, improving public health, creating employment opportunities and impacting society.

In spite of India being a hub for inventions of such technologies, EVs have not gained popularity owing to lack of adequate and timely support from central and state governments. Although, government has reduced the custom duty on three of the imported components in battery operated vehicles to 10%, still the incentives seem too less for the price reduction of such vehicles. Other initiatives, which need to be taken to make the EVs affordable, include measures like relaxation in excise duty and VAT uniformity for the key inputs and components and also for the finished electric vehicle. In addition, in various countries, electric vehicles receive subsidies so as to promote the technology and reduce emissions.

Setting up a technology mission for EVs could also go a long way in supporting the development of EV technologies in India. China has established a technology mission with \$106 million to have commercialized electric vehicles by 2008. The technology mission could support development of key technologies, development of infrastructure such as battery swapping stations and charging stations, support the development of prototypes/pilot and technology demonstrators, establishing a technology park and business incubation area, providing support for testing and certification for domestic sales and exports, single window clearance and support for administration and policy matters

A holistic approach involving the government, public and auto majors is needed to promote electric vehicles in India. Appropriate government policies during the next five years and adequate support from business houses and institutions, for instance, purchasing a fixed percentage of vehicles for their fleets and offering subsidies and tax exemptions, will go a long way in promoting the industry in India.

Finally, people have to become more informed about these technologies. The media must play its role in educating the public about alternate fuel vehicles and their advantages especially in the wake of spiraling prices of petroleum products and rising pollution levels caused by fossil fuels. Furthermore, by 2020 alternate fuel vehicles will be the order of the day. People's mindset, therefore, has to change from being individualistic to becoming responsible about the environment.

(Source: http://www.fadaweb.com/electric_vehicles.htm)

BUSINESS OVERVIEW

This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our financial statements, including the notes thereto, the “Risk Factors” and “Management Discussions and Analysis of Financial Condition and Results of Operation” on pages 12 and 147 respectively of this Draft Red Herring Prospectus.

Kabirdass Motor Company Limited was formed in 2006 to develop and commercialize zero emission vehicles (“ZEV”) in the name of ‘XITE’. Kabirdass Motor Company Limited is a group company of Best Cast IT Limited. The turnover of Best Cast IT Limited for the year ended March 31, 2010 is Rs. 45.87 crores with a Profit of Rs. 0.15 crores.

The registered office of our Company is at No.16, Poonamallee High Road, Velappanchavadi, Chennai – 600 077. The manufacturing unit of the Company is situated at its registered office and has a production capacity of 135 vehicles a day. Our Company has been classified as a small manufacturing enterprise by the District Industries Centre, Tiruvallur on 06.02.2007.

We manufacture 4 models of electric bikes and scooters none of which require license to ride under the Motor Vehicles Act, 1988 and related rules as their maximum speed is less than 25 km per hour. The scooters manufactured by the Company are battery operated scooters and provide clean, efficient, reliable, and affordable city transportation. We have obtained certification to manufacture electric bikes from the Automotive Research Association of India. Our Company has a R&D Team to improvise the product based on customer feedback. The R&D is also involved in new product design in line with the Indian market requirements.

The first electric bike manufactured by our Company was launched under the brand name “Xite” in February, 2007. The first series of electric bikes and scooters manufactured by the Company are an advanced zero-emission, battery-powered scooterettes which offer power ranging from 250 Watt to 1500 Watt.

Our company has appointed distributors & dealers in the states of Tamil Nadu, Kerala, Andhra Pradesh, Karnataka, Orissa and West Bengal and in the union territory of Pondicherry and sold over 3,379 bikes and scooters as on March 31, 2011.

For the financial year ended March 31, 2009 and 2010, we had total income of Rs. 500.06 Lakhs and Rs. 133.30 Lakhs respectively and a net profit, as restated, of Rs. 9.74 Lakhs and Rs. (68.11) Lakhs respectively. For the nine months ended December 31, 2010, we have achieved a total income of Rs. 135.28 Lakhs and net profit, as restated, of Rs. 73.63 Lakhs.

Our Company has embarked upon an expansion plan to expand its existing facilities and for setting up of new manufacturing unit for manufacturing of spare parts of electric scooters. For further information, please see —Objects of the Issue on page 55 of this Draft Red Herring Prospectus.

OUR COMPETITIVE STRENGTHS

Established Brand Name

The Company’s umbrella brand “Xite” is established in the states of Tamil Nadu, Andhra Pradesh and Karnataka.

Strong Marketing & Distribution Network

The credit for the establishment of “Xite” brand across the southern region of the country goes to the strong marketing & distribution network. Currently, the Company has 41 distributors and it plans to increase the number of distributors in a phased manner in every part of India. The Company’s efforts in strengthening the marketing & distribution network are on a continuous basis through media, newspapers, promotional events, sponsorships, etc.

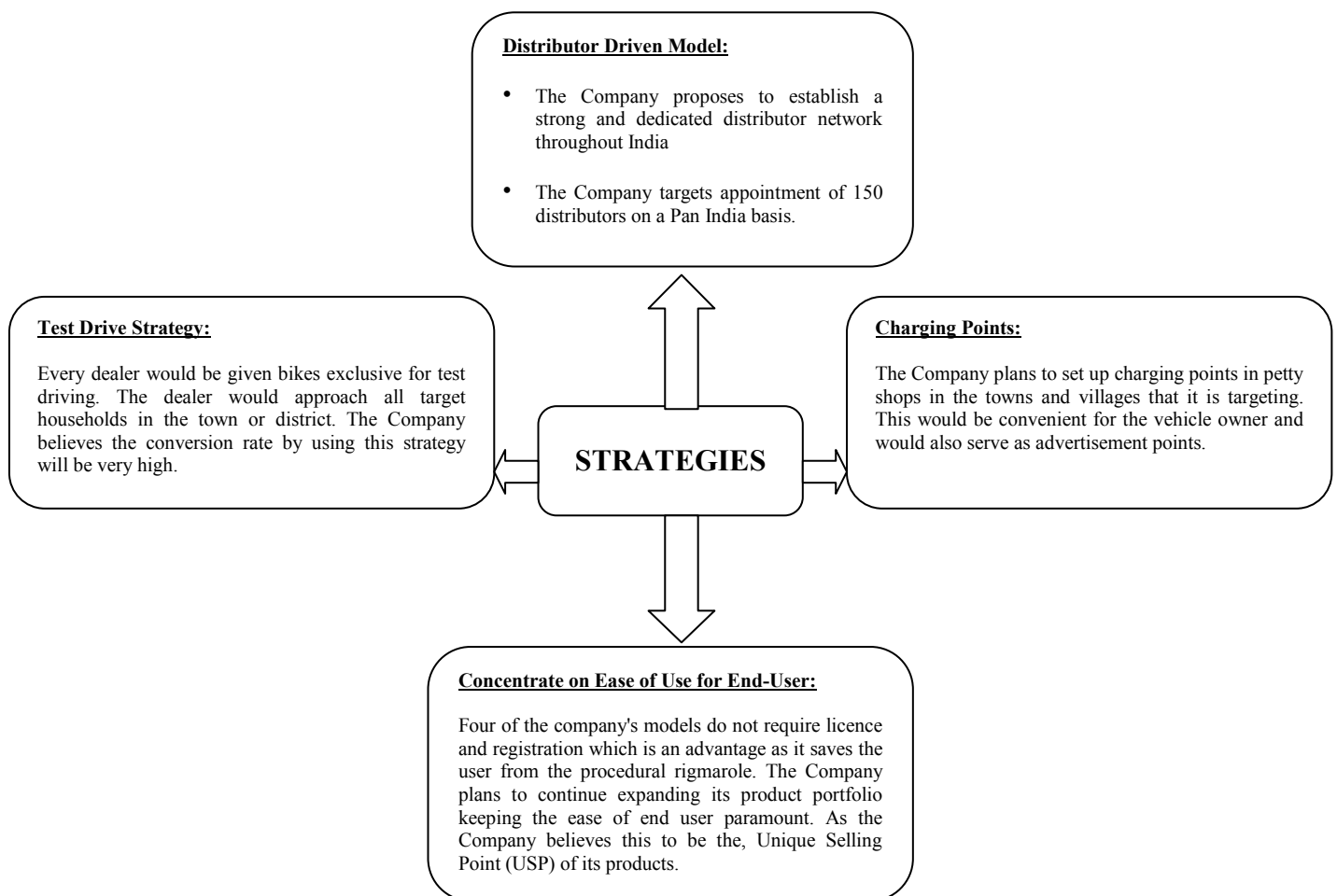
Sales Force Effectiveness

Implementation of business planning tools, focus on technical support, field coaching and constant evaluation of product knowledge and training has helped in improving effectiveness and field force productivity. Customer segmentation has sharpened focus on key customers.

Research & Development

The key strength of our Company is in its understanding of the client requirements, carrying out various tests and developing various grades of products to meet the specific requirement of its customers. Our Company has a R&D facility that continuously carries out product development activities for enhancing the product quality, improving operational efficiencies and augmenting the product lines. The R&D department will also work simultaneously on issues without input from customers or the marketplace.

OUR BUSINESS STRATEGIES



CAPACITY AND CAPACITY UTILIZATION

Installed Capacity

Product	Present Installed Capacity (No. of Units Per Year)
Electric Scooters	40,500 units

Capacity Utilization

The details of utilized capacity for the previous three years are given as under:

FY 2009		FY 2010		FY 2011	
In No. of Units	%	In No. of Units	%	In No. of Units	%
897	2.21%	913	2.25%	420	1.04%

The details of projected capacity for the next three years are given as under:

(In No. of Units)

FY 2012	FY 2013	FY 2014
5,000	40,000	90,000

As of fiscal 2010, we had one operational unit at Chennai. We are proposing to set up another unit at Palnallur Village, adjacent to SIPCOT Industrial Park at Sriperumbudur near Chennai. For further details, please see 'Objects of the Issue' on page 55 of this Draft Red Herring Prospectus. The estimated capacity for the next three fiscals has been computed on the above parameters.

The company has not been able to achieve full capacity utilization in the previous years because of the following constraints:

1. Lack of sufficient storage space required for storing the raw materials,
2. Lack of proper storage yard for storing the finished goods,
3. Lack of proper test track for testing the vehicles, currently testing is done on the public roads, which does not produce optimum test results.

In the new facility the above constraints will be mitigated, hence we will be able to achieve better capacity utilization.

INFRASTRUCTURE FACILITIES AND UTILITIES

Manufacturing Infrastructure

The manufacturing unit of the Company is situated at its registered office and has a production capacity of 135 vehicles a day.

Electricity

At present the Company uses 40 KVA of power connection which is sourced from the Electricity Board. In the proposed Project, the Company will require approximately 1100 KVA power which is also proposed to be sourced from Tamil Nadu State Electricity Board.

Water

Water is required for human consumption only, which is sourced from bore well dug in the premises of the registered office.

Manpower

The total manpower directly employed by the Company as on date is 40 personnel. The existing distribution of the manpower is as follows:

Sr. No.	Category	Existing
1	Senior Management	4
2.	Middle management	5
3.	Junior management	7
4.	Operators/Helpers	24
	Total	40

DETAILS ABOUT THE MARKET

Market Definition- The Company expects to compete in the medium scooter segment of the two wheeler industry. This market is expected to grow at a fast rate. We believe that the major future trend in the industry will be towards environment friendly, low maintenance and easy to use miniaturized product offerings.

Market Segment- Our Company defines its market segment as lower middle class, middle class and upper middle class of the Tier 1, Tier 2, and Tier 3 cities of India. The disposable income in the hands of this segment has been growing steadily in the last few years. We are targeting the sales of its bikes and scooters to college students, senior citizens and house wives. The customers in this segment are motivated to buy the product because of its utility value and low maintenance costs. Most of the sales in the segment are delivered through the dealers – distributor network.

Marketing- The Company intends to position its product as a good value for money, low maintenance and environment friendly product. We expect to reach our target customer by using the distributor network. The company has already entered into agreements with distributors in the states of Tamil Nadu, Kerala, Andhra Pradesh, Karnataka, Orissa and West Bengal and in the union territory of Pondicherry. The distributor evaluation process is as follows:

Stage I - Inviting Distributorship- The Company places advertisements in the regional newspapers inviting people to take up distributorship of its product.

Stage II – Checking Credentials- The following issues are considered:

- Should have at least 5 years of experience in any kind of distributorship with success record;
- Should not be beyond 35 years of age;
- Financial stability (should have another source of income);
- A reference check is done; and
- The Company's marketing team assesses the ability of the distributor.





Stage III – Internal Review- After the credentials are checked, the review team shall shortlist the distributors.

Stage IV – Appointment of Distributor- Once the review team has completed the short listing process, an agreement is entered into with them. A one time non refundable fee of Rs. 50,000 is collected from them.

OUR PRODUCTS

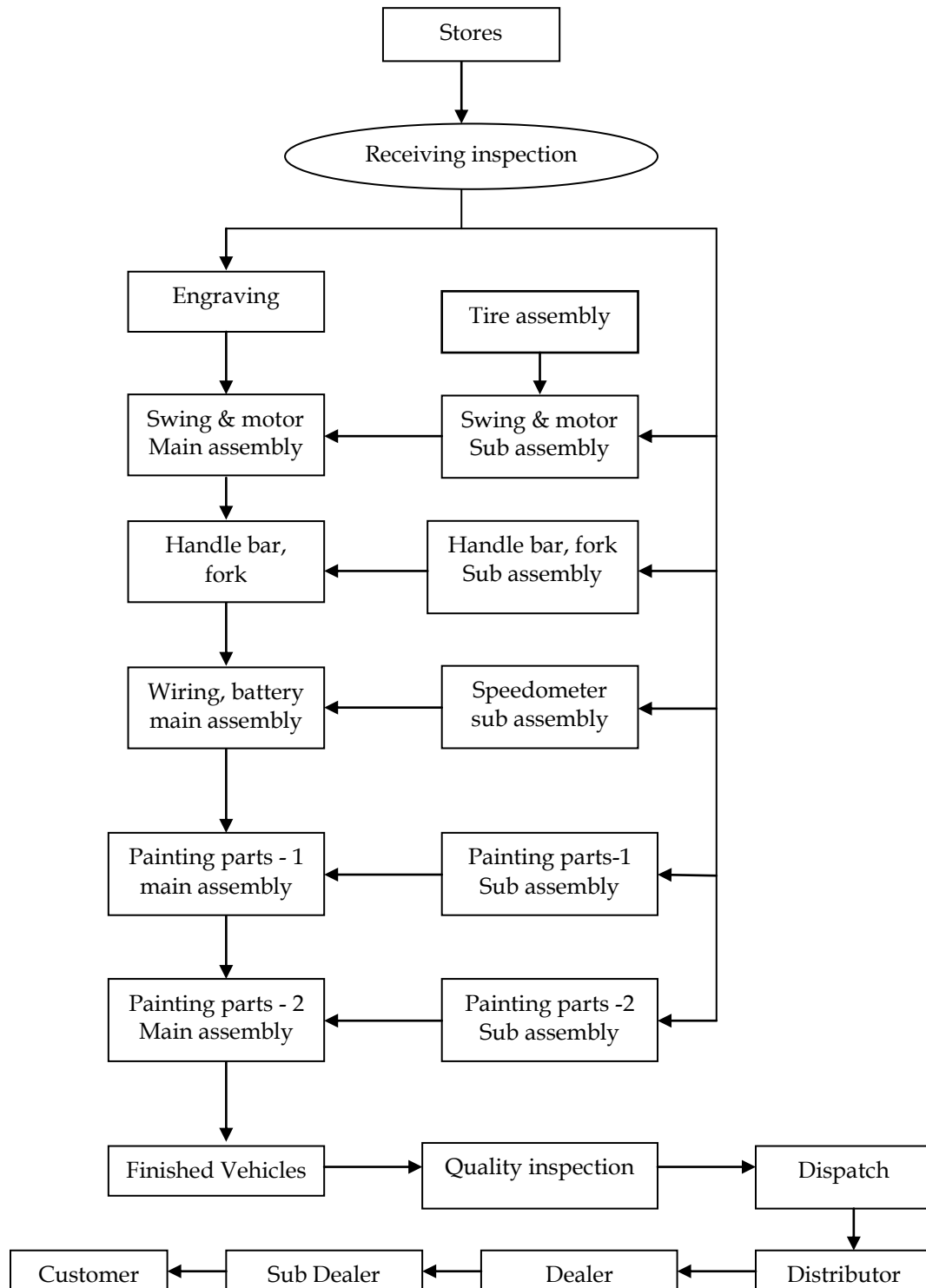
Product Description

The description of the products sold by the company is as follows:

	Xite K 100 LA:	
	Overall Dimensions	1780 x 715 x 1060 MM
	Wheel Size	2.5" x 16"
	Weight Carrying Capacity	100 KG
	Motor Power	< 250 Watt
	Motor	Permanent magnet brushless DC motor
	Battery Type	Maintenance free 14 AH
	Lamp Voltage	12 V
	Speed	< 25 km/hr
	Charging Duration	8 – 12 hours
	Range/ Charge Mileage	60 km
	Xite K 101 LA:	
	Overall Dimensions	1738 x 700 x 1080 MM
	Wheel Size	2.5" x 16"
	Weight Carrying Capacity	100 KG
	Motor Power	< 250 Watt
	Motor	Permanent magnet brushless DC motor
	Battery Type	Maintenance free 14 AH
	Lamp Voltage	12 V
	Speed	< 25 km/hr
	Charging Duration	8 – 12 hours
	Range/ Charge Mileage	60 km
	Xite K 102 LA:	
	Overall Dimensions	1790 x 740 x 1060 MM
	Wheel Size	3" x 16"
	Weight Carrying Capacity	100 KG
	Motor Power	< 250 Watt
	Motor	Permanent magnet brushless DC motor
	Battery Type	Maintenance free 20 AH
	Lamp Voltage	12 V
	Speed	< 25 km/hr
	Charging Duration	8 – 12 hours
	Range/ Charge Mileage	75 km
	Xite K 103 LA:	
	Overall Dimensions	1760 x 760 x 1040 MM
	Wheel Size	3" x 16"
	Weight Carrying Capacity	100 KG
	Motor Power	< 250 Watt
	Motor	Permanent magnet brushless DC motor
	Battery Type	Maintenance free 14 AH
	Lamp Voltage	12 V
	Speed	< 25 km/hr
	Charging Duration	8 – 12 hours
	Range/ Charge Mileage	75 km

Production Process

The product is assembled in house by trained technical staff, from components sourced through various vendors. Raw materials (other than critical components), sub-assemblies, components used in the products are readily available from a variety of manufacturers who meet the quality standards set by the company.



COMPETITION

Our Company's products face competition from other manufacturers such as Electrotherm India Limited, TVS Motor Company and Hero Electric who are the players in the organised sectors and also from cheap imports from other countries. We plan to manage the competition by offering better quality products and providing continued after sales service.

INSURANCE

We have taken insurance to cover different risks which we believe is sufficient to cover all material risks to operations and revenues. We have, however, not obtained — “key man insurance” for our senior management. Our operations are subject to hazards inherent to manufacturing units, such as risks relating to work accidents, fire, earthquake, burglary and marine transit. This includes hazards that may cause injury and loss of life, damage and destruction of property and equipment. The company has taken insurance to cover different risks the details of which are as under:

Type of Policy	Policy No.	Date of Expiry	Details of policy cover	Amount Insured (Rs. In Lakhs)	Premium (Rs.)
Standard Fire & Special Perils Policy taken from Bajaj Allianz General Insurance Company Limited	OG-10-1529-4001-00005079 dated April 21, 2010.	20/04/2011	Covers stock of electric scooter spares and stocks of batteries	200.00	35,296
Marine Cargo – Open Policy taken from The New India Assurance Company Limited	710300/21/10/02/00 000035 dated May 25, 2010	24/05/2011	Covers national transport of manufacturing spares and accessories for electric bikes and scooters and other items pertaining to Company's trade within India	100.00	7,722
Marine Cargo – Open Policy taken from The New India Assurance Company Limited	71030010 00017 dated May 25, 2010	24/05/2011	Covers global transport of spares and accessories for manufacturing electric bikes and scooters to India	150.00	11,583

INTELLECTUAL PROPERTY

The Company has made an application bearing No. 1513228 for registering the brand name “Xite” to the Trade Mark Registry vide its letter dated December 14, 2006. The application is pending with the Trade Mark Registry.

The Company represents that to the best of its knowledge the Company has not violated the intellectual property rights of any third party and that are no disputes initiated or threatened by any third party with respect to any alleged violation of its intellectual property rights by the Company.

PROPERTY

The Company does not have any free-hold property. The registered office of the Company is located at Best Cast House, No. 16, Poonamallee High Road, Velappanchavadi, Chennai – 600 077. The registered office premise is owned by Mr. Manohar Kabirdass and Mr. Murali Kabirdass, who have leased a portion of the premises to the Company. The Company is in occupation of the property since November 23, 2006. The Company has taken the lease property on lease agreement for an amount of Rs. 400.00 Lakhs. The Company is not required to pay any other charges for using the property, except electricity charges. The present period of lease is from 23/08/2009 to 22/07/2013. The details of the lease agreement are as follows:

Location of the Property/ Details of Agreement	Area of Property	Period	Advance / Rent (Rs.)	Important terms/conditions
Survey No.61/8 at No.16, Poonamallee High Road, Velappanchavadi, Chennai -600 077.	12,640 sq. ft. out of built up area of 25,250 sq. ft. in 40.5 grounds	23/08/2009 to 22/07/2013	Refundable security deposit of Rs. 400.00 Lakhs paid in the following manner: Rs. 200.00 Lakhs paid during 2006-2007 and Rs. 200.00 Lakhs paid during 2007 -2008	The lease is terminable by three months notice by either party

UNIONS

We do not have any trade unions at our manufacturing units.

CORPORATE SOCIAL RESPONSIBILITY

We believe that our corporate social responsibility (“CSR”) achieves an integration of economic, environmental and social imperatives while simultaneously addressing shareholder expectations. We constantly endeavour to be better corporate citizens and enhance our performance so as to suitably boost our bottom line. We are focused on the welfare of the economically and socially deprived sections of society.

HIRING, RECRUITING AND RETAINING

Our success depends to a great extent on our ability to recruit, train and retain employees. Accordingly, we place special emphasis on the human resources functions in our organization.

Our manufacturing facility is well ventilated and we provide adequate working space to our employees. We also take care of their personal health and hygiene. Our personnel policies are aimed towards recruiting the talent that we need, to facilitate the integration of our employees into our Company and to encourage the development of their skills in order to support our performance and growth in our operations. We have not experienced any significant labour related problems or disruptions and our management considers its relations with employees to be good. We seek to adopt an open culture and a participative management style, to enable us to maximize the benefits from the knowledge and skills of our management.

TRAINING AND DEVELOPMENT

We also place special emphasis on the training of our other employees to enable them to develop their skills and to meet changing requirements. As a part of our strategy to improve operational efficiency, we regularly organise in-house training facilities for our employees.

HEALTH, SAFETY AND ENVIRONMENT

We are committed to protecting the health and safety of our employees working in our factories, people who come in contact with our operations and the health and sustainability of the environment in which we operate.

INDEBTEDNESS

For details of our indebtedness, refer to the section titled —’Financial Indebtedness’ on page 144 of this Draft Red Herring Prospectus.

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

Labour Related Regulations

Factories Act, 1948

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

The Payment of Wages Act, 1936

The Payment of Wages Act, 1936 is a central legislation which applies to the persons employed in the factories and to persons employed in industrial or other establishments specified in sub-clauses (a) to (g) of clause (ii) of section 2 of the Act. This Act does not apply to wages payable to an employed person in respect of a wage period average if such wages exceed Rs. 6,500 per month. The Act has been enacted with the intention of ensuring timely payment of wages to the workers and for payment of wages without unauthorised deductions. A worker, whose wages have not been paid in time or if unauthorised deductions have been made from his/her wages, can file a claim either directly or through a Trade Union or through an Inspector under this Act, before with the Authority appointed under the Payment of Wages Act.

Minimum Wages Act, 1948

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

The Employees Provident Funds and Miscellaneous Provisions Act, 1952

The Employees Provident Funds and Miscellaneous Provisions Act, 1952 provides for the compulsory institution of contributory provident funds, pension funds and deposit linked insurance funds for employees. The act aims to ensure a retiral benefit to secure the future of the employee after retirement. The Act applies to

industries employing 20 or more persons and any other class of establishments employing 20 or more persons notified by the Government.

The Employees State Insurance Act, 1948

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

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

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

The ESI Act does not apply to the following:

1. Factories working with the aid of power wherein less than 10 persons are employed;
2. Factories working without the aid of power wherein less than 20 persons are employed;
3. Seasonal factories engaged exclusively in any of the following activities viz. Cotton ginning, cotton or jute pressing, decortications of groundnuts, the manufacture of coffee, indigo, lacs, rubber, sugar (including gur) or tea or any manufacturing process incidental to or connected with any of the aforesaid activities, and including factories engaged for a period not exceeding seven months in a year in blending, packing or repackaging of tea or coffee, or in such other process as may be specified by the Central Government;
4. A factory which was exempted from the provisions of the Act as being a seasonal factory will not lose the benefit of the exemption on account of the amendment of the definition of seasonal factory;
5. Mines subject to the Mines Act, 1952;
6. Railway running sheds;
7. Government factories or establishments, whose employees are in receipt of benefits similar or superior to the benefits provided under the Act and Indian naval, military or air forces.

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

Payment of Gratuity Act, 1972

Under the Payment of Gratuity Act, 1972 (the “**Gratuity Act**”), an employee in a factory is deemed to be in ‘continuous service’ for a period of at least 240 days in a period of 12 months or 120 days in a period of six months immediately preceding the date of reckoning, whether or not such service has been interrupted during such period by sickness, accident, leave, absence without leave, lay-off, strike, lock-out or cessation of work not due to the fault of the employee. An employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, superannuation, death or disablement. The maximum amount of gratuity payable shall not exceed Rs.3,50,000.

Payment of Bonus Act, 1965

Under the Payment of Bonus Act, 1965 (the “**Payment of Bonus Act**”) an employee in a factory who has worked for at least 30 working days in a year is eligible to be paid bonus. ‘Allocable surplus’ is defined as 67% of the available surplus in the financial year, before making arrangements for the payment of dividend out of profit of our Company. The minimum bonus to be paid to each employee is 8.33% of the salary or wage or

Rs.100, whichever is higher, and must be paid irrespective of the existence of any allocable surplus. If the allocable surplus exceeds minimum bonus payable, then the employer must pay bonus proportionate to the salary or wage earned during that period, subject to a maximum of 20% of such salary or wage. Contravention of the Act by a company will be punishable by proceedings for imprisonment up to six months or a fine up to Rs.1,000 or both against those individuals in charge at the time of contravention of the Payment of Bonus Act.

Workmen's Compensation Act, 1923

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

Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 (the 'CLRA') requires a company to be registered as a principal employer and prescribes certain obligations with respect to welfare and health of contract labourers. The CLRA vests responsibility in the principal employer of an establishment, to which the CLRA applies, to make an application to the concerned officer for registration of the concerned establishment. In the absence of such registration, contract labour cannot be employed in the concerned establishment. Likewise, every contractor, to whom the CLRA applies, is required to obtain a license and may not undertake or execute any work through contract labour except under and in accordance with the license issued. To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

Tax Related Regulations

The Income Tax Act, 1961

In addition to prescribing regulations for computation of tax liability on income, the Income Tax Act provides that any company deducting tax must apply to the assessing officer for the allotment of a tax deduction account number. Furthermore, the legislation requires every taxpayer to apply to the assessing officer for a permanent account number.

Value Added Tax

Sales tax is levied on the sale of movable property in goods. In India, sales tax is levied both at the federal level under the Central Sales Tax Act, 1956 as well as the state level under the respective state legislation. Goods sold within the jurisdiction of a state are charged to Value Added Tax ('VAT') in accordance with the VAT statute of that state. All the states have in force a separate VAT statute which prescribes the rates at which VAT will be levied on taxable goods sold within that state. VAT is usually payable by a 'dealer' of goods (i.e. a person who carries on the business of selling or purchasing goods within a state) on its sales turnover. Depending on the schedule in which a good is categorized, VAT would be either exempt or levied at the rate of 1%, 4%, 12.5% or such other rate as the State Government notifies from time to time.

Central Sales Tax Act, 1956

Central Sales Tax ('CST') is levied in accordance with the Central Sales Tax Act, 1956 on movable goods sold in the course of inter-state trade or commerce. CST is payable by a dealer (i.e. a person who carries on the business of buying, selling, supplying or distributing goods) on his sales turnover at the rate prescribed in the VAT statute of the State from where the movement of the goods originate. However, a dealer is entitled to a concessional rate of 2% CST on goods which are sold to another registered dealer who intends to further re-sell

them or use them in the manufacture or processing for further sale or for certain other specified purposes, subject to the condition that the purchasing dealer issues a statutory form 'C' to the selling dealer.

The Central Excise Act, 1944

The Central Excise Act, 1944 (Central Excise Act) consolidates and amends the law relating to Central Duties of Excise on goods manufactured or produced in India. Excisable goods under the Act means goods specified in the Schedule to the Central Excise Tariff Act, 1985 as being subject to duty of excise. Factory means any premises, including the precincts thereof, wherein or in any part of which excisable goods are manufactured, or wherein or in any part of which any manufacturing process connected with the production of these goods being carried on or is ordinarily carried out. Under the Act a duty of excise is levied on all excisable goods, which are produced or manufactured in India as, and at the rates, set forth in the First Schedule to the Central Excise Tariff Act, 1985.

Service Tax

Service Tax is levied under the Finance Act, 1994, as amended, wherein tax is levied on certain identified services rendered in India by specified service providers. Currently, service tax is levied at the rate 10.30% plus an education cess of 2% and a secondary and higher education cess at the rate 1%. Therefore, the effective rate is 10.3% on gross value of taxable services. With respect to upstream activities, relevant taxable services include site formation and clearance, and excavation, earth moving and demolition services, survey and exploration of mineral services and mining services.

Intellectual Property Related Regulations

Trademarks

The Trade Marks Act, 1999 (the '**Trade Marks Act**') governs the statutory protection of trademarks in India. Indian trademarks law permits registration of trademarks for goods and services. Certification trademarks and collective marks are also registrable under the Trade Marks Act. An application for trademark registration may be made by any person claiming to be the proprietor of a trademark and can be made on the basis of either current use or intention to use a trademark in the future. The registration of certain types of trademarks are absolutely prohibited, including trademarks that are not distinctive and which indicate the kind or quality of the goods. Applications for a trademark registration may be made for in one or more classes. Once granted, trademark registration is valid for ten years, unless cancelled. The registration can be renewed for further period of ten years. If not renewed after ten years, the mark lapses and the registration for such mark has to be obtained afresh. While both registered and unregistered trademarks are protected under Indian law, the registration of trademarks offers significant advantages to the registered owner, particularly with respect to proving infringement. Registered trademarks may be protected by means of an action for infringement, whereas unregistered trademarks may only be protected by means of the common law remedy of passing off. In case of the latter, the plaintiff must, prior to proving passing off, first prove that he is the owner of the trademark concerned. In contrast, the owner of a registered trademark is prima facie regarded as the owner of the mark by virtue of the registration obtained.

Other Regulations

Environmental Laws

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

The WPA aims to prevent and control water pollution. This legislation provides for the constitution of a Central Pollution Control Board and State Pollution Control Boards. The functions of the Central Board include coordination of activities of the State Boards, collecting data relating to water pollution and the measures for the prevention and control of water pollution and prescription of standards for streams or wells. The State Pollution Control Boards are responsible for the planning for programmes for prevention and control of pollution of streams and wells, collecting and disseminating information relating to water pollution and its prevention and control; inspection of sewage or trade effluents, works and plants for their treatment and to review the specifications and data relating to plants set up for treatment and purification of water; laying down or annulling

the effluent standards for trade effluents and for the quality of the receiving waters; and laying down standards for treatment of trade effluents to be discharged. This legislation debars any person from establishing any industry, operation or process or any treatment and disposal system, which is likely to discharge trade effluent into a stream, well or sewer without taking prior consent of the State Pollution Control Board.

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

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

The Shops and Establishments Act

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

HISTORY AND CORPORATE STRUCTURE

Brief History

Kabirdass Motor Company Limited was incorporated as a Private Limited Company, namely 'Kabirdass Motor Company Private Limited' with CIN: U50300TN2006PTC061581 on November 23, 2006 vide certificate of incorporation issued by the Registrar of Companies, Tamil Nadu, Chennai.

In order to facilitate expansion and growth in the field of automobiles and to raise resources for the same the company converted into a public limited company, namely 'Kabirdass Motor Company Limited' on November 07, 2008 vide fresh certificate of incorporation issued by the Registrar of Companies, Tamil Nadu, Chennai. Upon conversion the Company was allotted a new CIN: U50300TN2006PLC061581.

Further, the share holders of the Company passed a special resolution in the EGM held on March 23, 2009, thereby altering the provisions of the Memorandum of Association of the Company with respect to its objects and complying with Section (18)(1) of the Companies Act, 1956. At the registration of the special resolution with the Registrar of Companies, Tamil Nadu, Chennai, the Company was granted a new CIN: U74900TN2006PLC061581 vide certificate of registration dated April 16, 2009.

The registered office of the company is at BEST CAST HOUSE, No. 16, Poonamallee High Road, Velappanchavadi, Chennai – 600 077.

Changes in the Registered Office of our Company

There has been no change in the registered office of our Company since incorporation.

Amendments to our Memorandum of Association

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

Amendment Date	Nature of Alteration
September 27, 2007	Increasing the authorized capital from the existing Rs. 5,00,00,000 to Rs. 10,00,00,000
January 16, 2009	a) For borrowing in excess of paid up capital and free reserves, under section 293 (1) (d) of the Companies Act 1956 b) Creation of Charge on Company's Assets, under section 293 (1) (a) of the companies Act 1956 and c) Amendment/ Alteration in Articles of Association
February 20, 2009	Issue of Shares to public other than the existing shareholders – under section 81, 81 (1A) of the Companies Act 1956
March 23, 2009	Increase in authorized Capital from Rs. 10,00,00,000 to Rs. 20,00,00,000
March 31, 2009	Increase in authorized Capital from Rs. 20,00,00,000 to Rs. 22,00,00,000
October 03, 2009	Alteration of other objects by way of addition to sub-clause - IIIC
April 30, 2010	Issue of further Equity shares on Private Placement Basis (M/s Bennett Coleman Company Limited)
May 28, 2010	Increasing the authorized capital from the existing Rs. 22,00,00,000 to Rs. 30,00,00,000
March 14, 2011	Issue of Shares to public – Resolution passed under Section 81 , 81(1A) of the Companies Act 1956
April 6, 2011	For re-appointment of Managing Director

Major Events and Milestones

The table below sets forth some of the major events in the history of our Company:

Month & Year	Achievement
2006	Formation of our Company as a private limited company viz., Kabirdass Motor Company Private Limited
2007	Winner of the 2007 New Ventures India Business Plan Competition – Certificate received from Investor Forum 2007
January – February, 2007	First batch of scooters assembled, 5 models of electric scooters launched and samples delivered to customers
June, 2007	First bulk order totaling 46 vehicles received and dispatched
November, 2007	Approval for K 1500 received from ARAI
January 2008	Company has introduced Silica gel Battery
March, 2008	Sales crossed 1,000 units mark in the first year of operations
April 2008	Controller for 250 watts and 1,500 watts bikes
September 2008	Identification and development of all steel parts in India to avoid imports from foreign countries.
October 2009	Test bench for motors, controller and batteries set up.
June 2010	Battery management system developed
October 2010	Speed aviator for young boys and girls. The speed can be locked as per the parents' wish, the children then cannot go beyond the speed lock.

Raising of capital by Our Company

Other than as disclosed under “Capital Structure” and “Financial Indebtedness” on pages 43 and 144 respectively of this Draft Red Herring Prospectus, we have not raised any capital either in the form of equity or debt.

Time and Cost Overruns

As on date of filing of this Draft Red Herring Prospectus, there has been no time and cost overruns in the implementation of our projects.

Corporate Profile

Kabirdass Motor Company Limited was formed in 2006 to develop and commercialize zero emission vehicles (“ZEV”) in the name of ‘XITE’.

For further details of the business of our Company, please see the section titled “Business Overview” on page 82 of this Draft Red Herring Prospectus.

Injunctions or restraining order against Our Company

There have been no injunctions or restraining order against our Company.

Total number of Shareholders of Our Company

As of the date of filing of this DRHP, the total number of holders of Equity Shares is 8 (Eight). For more details on the shareholding of the members, please see “Capital Structure” on page 43 in this Draft Red Herring Prospectus..

Main Objects of our Company

The main objects of the Company as contained in the Memorandum of Association are as follows:

1. To engage and carry on the business of manufacturing automotive parts, electric bikes, personnel care products, electrical parts, engineering parts and home appliances.
2. To carry on the business of providing services for automobiles of all kinds and deal in buying and selling of automobiles namely light and heavy vehicles.

Subsidiaries of our Company

Our Company currently has no subsidiaries.

Shareholders Agreements

There is no separate agreement between any shareholder and our Company as on date of filing of this Draft Red Herring Prospectus.

Joint Venture Agreements

As on date of filing this Draft Red Herring Prospectus with SEBI we have not entered into any joint venture agreements with any other company or entity.

Debenture Agreement

The Company had entered into a Convertible Debenture Subscription Agreement with Bennett Coleman and Company Limited (BCCL). Brief details of which are given herein under:

A Convertible Debenture Subscription Agreement between Bennett Coleman and Company Limited ("BCCL") and Kabirdass Motor Company Limited ("Company") and Promoters of the Company entered into on June 03, 2008.

Main Provisions

BCCL had subscribed to one (1) zero percent compulsorily convertible debenture for an aggregate consideration of Rs. 2,000 Lakhs (the "**Subscription Amount**"). The CDS Agreement contains conditions precedent and representations and warranties that are usual for transactions of this nature. The CDS Agreement provides that the shares allotted to BCCL on conversion shall be locked in for a period of 3 years and the date is to be reckoned from the date of execution of the CDS Agreement. The Promoters have the right of first refusal in the event BCCL intends to transfer all or any part of the shares held by it.

The company has vide amendment agreement dated March 31, 2010, agreed to amend the value of Rs. 2,000 Lakhs towards convertible debenture to Rs. 1,251 Lakhs.

The Agreement is subject to following conditions:

- (a) The Debenture allotted to BCCL shall be compulsorily converted into Shares on July 01, 2010 which shall rank pari passu in all respects and identical with the existing Shares. Conversion is to take place at the Conversion Price (defined below), without any further act by or on behalf of BCCL and/or the Company;
- (b) The Conversion Price shall be equal to the Subscription Amount divided by the Number of BCCL Shares (refer point (c) below).
- (c) The Number of BCCL Shares is in turn determined by the following formula

$$\text{BCCL Shares} = (\text{Subscription Amount} * Y) / X$$

Where X = Profit after Tax (“PAT”) based on audited accounts for the year ending March 31, 2010. The PAT shall exclude all non-recurring income and expenditure and extraordinary income and expenditure determined and computed in accordance with Indian GAAP.

Where Y= Number of outstanding issued shares as on June 30, 2010 + Proposed BCCL Shares + Shares vested under an ESOP.

- (d) Notwithstanding the formula above, in the event of the occurrence of any of the following events, Conversion Price is as follows:
- (i) In the event, after obtaining prior written consent of BCCL, if the Promoters Transfer any of the Shares held by them prior to conversion of the Debenture and the Present Price (refer viii below) for such Transfer is lower than the Conversion Price as calculated in terms as provided above, the conversion shall take place at the price per Share at which the Promoters have effected such sale and the Conversion Price for the purposes of this Agreement shall be the Present Price at which Transfer by Promoters take place. If Promoters sell their shares in two or more lots, then conversion shall be effected at the lowest such Present Price. This clause shall not apply for Transfer of Shares inter se the Promoters.
 - (ii) In the event the Company makes any fresh issue of shares or share linked securities prior to conversion of the Debenture whereby the Present Price is lower than the Conversion Price calculated in terms as provided above, other than Shares issued under the ESOP plan, the conversion of the Debenture to BCCL Shares shall take place at the Present Price at which such conversion/fresh offering was effected and the Conversion Price for the purposes of this Agreement shall be such Present Price. If such fresh offering of Shares or Share linked securities is made in two or more lots, then conversion shall be effected at the lowest relevant Present Price.
 - (iii) In the event the Company issues shares through the IPO, at any time prior to conversion of the Debenture, then the Debenture shall stand compulsorily converted into Shares prior to such IPO. In such an event, the Conversion Price shall be mutually agreed upon and as close as possible to 80% of the lower end of the proposed IPO price band, in terms of the SEBI (ICDR) Regulations.
 - (iv) In the event of a merger of another entity with the Company whereby the Present Price of the Shares for such merger is lower than the Conversion Price, then the Debenture shall be converted and BCCL shall be allotted such number of Shares based on the Present Price of the Shares of the Company for the purpose of determination of exchange ratio for the merger. Conversion shall take place within 2 (Two) days from the date of completion of such merger.
 - (v) In the event of a merger of the Company with any other Company, the Debenture shall be converted and BCCL shall be allotted such number of Shares in the merged entity based on the fair value of the Shares of the other entity with which the Company is merged, for the purpose of determining the exchange ratio for such merger, discounted at the rate of 10% per annum, calculated pro rata, for the period commencing from the date of issue of shares for the merger to the Closing Date i.e. the date on which the Subscription Amount is paid in full and the Convertible Debenture is allotted to BCCL. Conversion shall take place within 2 (Two) days from the date of completion of such merger.
 - (vi) In the event two or more of the situations contemplated in (i) to (v) above takes place, the lowest Conversion Price arrived at in terms of the above shall be considered the Conversion Price for the purposes of this Agreement. BCCL Shares shall be equal to the Subscription Amount divided by the Conversion Price so determined.
 - (vii) Notwithstanding anything to the contrary, in the event the Company makes a fresh issue of Shares to another investor (“Investor”) within a period of one year from the Closing Date, the Conversion Price shall equivalent to the price per share paid by the Investor, discounted at the rate of 20% per annum, calculated pro rata, for the period commencing from the date of issue of Shares to such Investor, to the Closing Date. Provided that in the event such fresh issue to an Investor takes place within a period of 6 months from the Closing Date, the Investor Price shall be the Conversion Price, without any discount being applicable. Conversion of the Debenture shall take place no later than 7 days from the Company providing BCCL with a statement inter alia setting out the figures pertaining

to the post money valuation based upon which shares are allotted to the Investor, particulars of the issue of shares etc.

- (viii) Present price is defined as price per Share at which: (a) a fresh issue of shares is made and/or (b) the Promoters sell their shares; discounted at the rate of 10% per annum calculated, pro rata, from the date of allotment of shares under such fresh offering to the closing date. Provided that, if such fresh issue is made at any time during a period of 6 months from the closing date, then the present price shall be deemed to be the price at which the fresh issue is made. It is clarified that, in case of issue of Shares on merger of another entity with the Company, the fair value of the Shares of the Company for the purpose of arriving at the exchange ratio for the purpose of merger, shall be the basis for calculating the Present Price, which shall be calculated for the period commencing the Present Price, which shall be calculated for the period commencing from the date of issue of shares in terms of the merger to the Closing Date.

- (e) The Conversion Price and the BCCL Shares shall be adjusted in case of bonus shares or spilt of shares.

Covenants

The Company and the Promoters have jointly and severally covenanted as follows:

- (a) To use reasonable endeavours to cause an initial public offering of the Company within 5 years from the date of execution of the CDS Agreement.
- (b) To refrain from competing with the business of the Company. The term business is defined as the business of manufacturing electric scooters, automotive parts, machinery parts and assemblies.
- (c) To indemnify BCCL in respect of actual losses incurred by BCCL as result of any breach of representation, warranty or covenant.

Rights of BCCL

- (e) BCCL is entitled to anti-dilution rights, except in relation to issue of shares pursuant to an ESOP, in the event the Company issues any further shares, including in the event of a merger or amalgamation of another entity ("fresh offering") at any point of time prior to the completion of the IPO and the present price of the fresh offering is lower than the conversion price. BCCL is entitled to be issued such number of additional shares forming a part of the fresh offering such that weighted average price of the BCCL shares and the shares acquired by BCCL at the fresh offering shall be equal to the present price paid for the shares issued at the fresh offering by another person. Further in the event the Company is unable to offer the shares to BCCL for no additional consideration, the Promoters shall, jointly and severally, sell such number of shares held by the Promoter at no additional consideration to BCCL, such that the weighted average price of the BCCL shares and the shares acquired by BCCL from the Promoters in the manner indicated herein shall be equal to the Present Price paid for the Shares issued at the Fresh Offering by another person
- (f) In the event any of the Promoters sell or otherwise dispose their shares in the Company, BCCL has the right to tag-along its shares prorata and further in the event as result of the proposed sale by the Promoters, their shareholding in the Company falls below 51%, BCCL is entitle to tagalong its entire shareholding in the Company.
- (g) BCCL has a put option in the event the IPO of the Company is not concluded within 5 years to require the Promoters to purchase all or any portion of its shares at the Sale Price. The Sale Price is defined to mean the amount equivalent to the Earning per Share * P/E multiple. The Earning per Share shall be based on the auditing financial accounts for the financial year immediately preceding the exercise of the Put Option).
- (h) The CDS Agreement provides that the prior written consent of BCCL is required for the following:
 - a. To merge with any other company, or to demerge any division or to restructure in any manner.
 - b. For the Promoters to transfer any part of the shares in the Company, except in case of inter se transfer between the Promoters.

- c. To sell, license, assign or in manner part with all or a part of the rights to any of the brands owned by the Company or acquired by the Company in future.

The CDS Agreement may be terminated at the option of a non-defaulting party upon the other party committing an event of default i.e. breach of its representations, warranties, covenants or other obligations.

The company had issued the debenture to BCCL on 16/06/2008.

In view of the change in the business plan, the Company after obtaining the consents of the Shareholders and the Promoters has partly redeemed the Debenture, and has requested BCCL to amend the terms of the CDS agreement. The Company has entered into an Amendment to Convertible Debenture Subscription Agreement dated 31/03/2010.

The Amendments to the CDS agreement are as under:

1. The Company shall within 3 (Three) working days from the date hereon redeem a portion of the Debentures amounting to Rs. 749.00 Lakhs by issuing a cheque in favor of BCCL for an amount of Rs. 749.00 Lakhs.
2. Post Redemption of the Debenture in terms of above mentioned clause 1, the balance outstanding portion of the Debenture shall be converted into shares in accordance of CDS Agreement.

Accordingly, a new debenture certificate for Rs. 1,251 Lakhs in lieu of the original certificate for Rs. 2,000 Lakhs was issued on 02/04/2010 based on the above amended agreement. Subsequently this debenture was converted in equity shares of Rs.10/- each and on 31/05/2010, BCCL was allotted 39,09,375 equity shares of Rs. 10/- each at a price of Rs. 32 per share (including premium of Rs. 22 per share).

Other Agreements

(A) The Advertising Agreement with Bennett Coleman and Company

The Company has entered into an advertising agreement with Bennett Coleman and Company Limited on June 03, 2008. The main provisions of the agreement are as follows:

1. The Company has during the term of the Agreement, ie 4 years (“**Term**”), agreed to place advertisements for the products, services and brands owned by it, on a non-exclusive basis, in the BCCL Print Publications and in the BCCL Non Print Media upto the value of Rs. 2,000 Lakhs, net of agency commission (“**Total Commitment**”). The BCCL Print Publications means all the newspapers, journals, magazines (both present & future) that are published and/or marketed by BCCL group in any language within the territory of India. The BCCL Non-Print Media refers to the activities of the BCCL group in the non print media through the internet (indiatimes.com), television (Zoom Tv, Times Now), Medianet and radio channel (Radio Mirchi). The BCCL Print Publications and BCCL Non Print Media are collectively referred to as the BCCL Media.
2. The Agreement contemplates that the Company make payment of the Total Commitment within three (3) days from the execution of the Agreement. The rates applicable for advertisements in BCCL Print Publications are according to extant policies of specific BCCL Print Publications at time of placement of advertisement. However, the Company is entitled to certain incentives more particularly specified in the response letter from BCCL.
3. The Agreement prescribes that not more than 25% of the Total Commitment shall be utilized, at any point of time, for advertisements in the BCCL Non Print Media. Further, any part of Total Commitment in the BCCL Non Print Media that remain unutilized, may be utilized for advertisements in the BCCL Print Publications. In the event the Total Commitment has not been expended by the Company within the Term, the Company may be granted an extension of a further period of 6 months for utilization of the same towards advertisements in the BCCL Media. Furthermore, the Agreement provides that, except on account of material breach by BCCL. The Total Commitment that remains unutilized shall stand forfeited.
4. The Agreement may be terminated by either party, on the occurrence of a material breach of the Agreement by the other party which is not cured or remedied by the party in breach within sixty (60) days from the date

on which it receives a notice complaining of the breach. Further BCCL is entitled to terminate the Agreement in the event the Company or the Promoters (as defined in the CDS Agreement) material breach of the CDS Agreement.

5. The Agreement provides for arbitration for settling disputes or differences that cannot be resolved amicably. The arbitration is to be conducted by an arbitral tribunal consisting of 3 arbitrators, with the Company and BCCL appointing one (1) arbitrator each and the two (2) and the third arbitrator is to be appointed in accordance with the Arbitration & Conciliation Act, 1996.
6. The Agreement is to be governed by the laws of India and is, save in respect of the arbitration, subject to the jurisdiction of the courts in Chennai.

The Company has entered into an Amendment of Advertising Agreement dated 31/03/2010.

The Amendments to the said agreement are as under:

1. The parties hereby agree and confirm that the total Commitment under the Advertising Agreement is reduced from Rs. 2,000 Lakhs to Rs. 1,251 Lakhs (“**Revised Total Commitment**”).
2. BCCL shall within 3 (Three) days from the date hereof refund the Total Commitment less Revised Total Commitment aggregating to Rs. 749 Lakhs “**Refundable Amount**” to the Company.

(B) Carbon Credit’s Project with Asia Carbon Emission Management India Private Limited (ACEMIPL)

The Company has entered into an agreement dated August 16, 2007 for Clean Development Mechanism Project with Asia Carbon Emission Management India Private Limited.

Brief background of the project

The Clean Development Mechanism (CDM) is one of the three flexibility mechanisms under the Kyoto Protocol, 1997 that enables developing countries to assist developed countries in meeting their greenhouse gas emissions reductions targets. The greenhouse gas benefits of each CDM project will be measured according to internationally agreed methods and will be quantified in standard units, to be known as “Certified Emission Reductions” (CER’s). These are expressed in tones of CO2 equivalent emission reduced. (1 ton CO2 is equivalent to one CER). The Company as a CDM project participant is engaged in the manufacture and operation of zero emission two wheeler electric vehicles in various parts of India. According to ACEMIPL, based on an annual production of 30,000 scooters, the annual displacement is likely to be 18,000 tons of CO2 per annum which would mean that the Company can look forward to a credit of 18,000 CER’s annually.

Details of the Agreement

Name of the Project	“Emission Reductions by Electric Scooters- low Carbon Emission vehicles”
Scope of services of ACEMIPL	<ol style="list-style-type: none"> 1. Develop the Project Document Design (PDD) for the project based on the data and documents provided by the Company; 2. Secure the approval of the Government of India for the project (Host Country approval); and 3. Submit PDD for valuation to Designated Operational Entity (DOE - entity qualified to validate the proposed CDM activities or to verify and certify the emission reductions) and assist the Company in obtaining validation and to register the project with Executive Board of the CDM.
Obligations of the Company	<ol style="list-style-type: none"> 1. Provide all required data to ACEMIPL for development of the PDD; 2. Provide all documents necessary for approval of the project by the Designated National Authority of India; and 3. Enter into a contract with DOE introduced by ACEMIPL for project validation, verification and monitoring.
Important terms	<ol style="list-style-type: none"> 1. All data and information related to the Project and provided by the Company to ACEMIPL shall be owned , possessed and remain the property of the Company; 2. The Company has agreed that ACEMIPL has irrevocably authorized by it to manage

	the Carbon Assets that will ensue from the project and to transact the CER's generated from the Project; and 3. Except to the extent required by law or by any regulator, the parties must keep confidential the contents of the agreement.
Fee and payment terms	1. The Consultancy fee is Rs.4,00,000 (25% payment on signing, 25% payment on submission of PDD, 25% payment upon obtaining host country approval and 25% payment upon validation of PDD and registration); and 2. Success fee of 5% of the CER's (units of certified emission reductions) is payable to ACEMIPL as and when realization of proceeds by the Company.
Term of Agreement	The Agreement is valid for a period of two years or till the successful registration of the Project with the UNFCCC , whichever is later
Termination	The Agreement will be terminated by failure of project host country approval, DOE validation or registration of Executive Board of CDM. The failure and consequent termination of this Agreement bear no consequences on either party, other than claims arising out of the accrued rights and obligations, including those relating to breaches of confidentiality which claims will survive the expiry of the Agreement by 2 calendar years.
Arbitration and Governing Law	Any disputes that may arise are to be amicably sorted out between the parties, failing which any dispute will be finally resolved by arbitration before a sole arbitrator in accordance with the Rules of Arbitration of the International Chamber of Commerce. The place of arbitration is India and it is to be conducted in English. The Agreement is subject to and construed in accordance with the laws of India.
Timeline	The tentative timeline for the CDM Process Cycle is: PDD development – 120 days Validation – 75 days (During this period Host Country approval is to be obtained in 60 days) Registration – 60 days The project is under process.

(C) The Company has vide agreement dated January 13, 2009 entered into with M/s. Hero Ecotech Limited (HEL) agreed to transfer to HEL the ARAI CMVR certificate and all other licenses, approvals etc for the product K1500SI. K1500SI is one of the high speed electric scooters developed by KMCL. KMCL has also agreed to transfer on a perpetual, irrevocable and complete basis, the over-all rights of the KMCL product K1500SI.

Strategic Partners

As on date of filing this Draft Red Herring Prospectus with SEBI there are no strategic partner agreements entered into by our Company except as stated above.

Financial Partners

As on date of filing this Draft Red Herring Prospectus with SEBI there are no financial partner agreements entered into by our Company.

OUR MANAGEMENT

Board of Directors

As per the Articles of Association, our Company must have a minimum of three and a maximum of twelve Directors. As on the date of this Draft Red Herring Prospectus, our Company has 4 Directors on its Board. The following table sets forth the details of the Board of Directors as on the date of this Draft Red Herring Prospectus:

Name, Age, Father's/ Husband's Name, Designation, Address, DIN, Occupation, Qualification, Term and Nationality	Date of Appointment	Other Directorships/ Proprietor/ Partnership/ HUF/ Trust in which Director is a Trustee
Mr. Murali Kabirdass Age: 45 years S/o Mr. S.R. Kabirdass Designation: Managing Director Address: No. 243, Kilpauk Garden Road, Kilpauk, Chennai – 600 010. DIN: 00668887 Occupation: Business Qualification: B. Com Term: For a period of 3 years with effect from May 1, 2011 Nationality: Indian	November 23, 2006	<ul style="list-style-type: none"> ▪ Shareway Securities Ltd. ▪ Kabirdass Aluminium Ltd. ▪ Best Cast IT Ltd.
Ms. Haripriya Murali Age: 40 years W/o Mr. Murali Kabirdass Designation: Non Executive Director Address: No 243, Kilpauk Garden Road, Kilpauk, Chennai – 600 010. DIN: 02069039 Occupation: Business Qualification: M.A. Sociology Term: Liable to retire by rotation Nationality: Indian	July 16, 2008	<ul style="list-style-type: none"> ▪ Shareway Securities Ltd.
Mr. P. Jothibas Age: 41 years S/o Mr. S. Pattabiraman Designation: Independent Director Address: No. 279, W-Block, C-Sector, Anna Nagar West Extension, Chennai – 600 101. DIN: 03498140 Occupation: Business Qualification: B. Com, MBA (Finance) Term: Liable to retire by rotation Nationality: Indian	March 16, 2011	<ul style="list-style-type: none"> ▪ J.B. Associates
Mr. J. Sethuraman Age: 43 years S/o Mr. Janardhanam Narayanaswamy Designation: Independent Director Address: No. 56A, East Raja Street, Mamallapuram, Kancheepuram District, Chennai – 603 104. DIN: 01842269 Occupation: Business Qualification: B. Com Term: Liable to retire by rotation Nationality: Indian	December 18, 2008	<ul style="list-style-type: none"> ▪ Hi- Tours Mamallapuram Pvt. Ltd.

Brief Biography of the Directors

Mr. Murali Kabirdass, (Managing Director), aged 45 years, holds a degree in Bachelor of Commerce. He started his career with Best Cast IT Limited as a Director and gained practical experience in foundry and manufacturing automotive and engineering. He has played a very important role in the establishment of the Company and has over 20 years of experience.

Ms. Haripriya Murali, (Non – Executive Promoter Director), aged 40 years has graduated with M.A. in Sociology. She joined the business at the age of 34 years and is currently the Non – Executive Promoter Director of the Company. Ms. Haripriya has experience in administration and human resources function and is instrumental in getting various approvals and licenses from State and Central Government for the Company. She is actively involved in social organizations for development of under privileged women.

Mr. P. Jothibas, (Independent Director), aged 41 years, he holds a bachelor degree in commerce (B.Com) and Masters Degree in Business Administration (M.B.A) with a specialisation in finance. He is a partner in M/s J.B Associates (Partnership Firm), which was started with the objective of developing and promoting projects in housing and also for taking up construction work on contract basis relating to Infrastructure Development. The firm has developed and sold apartments in Coimbatore and in Chennai.

Mr. J. Sethuraman, (Independent Director), aged 43 years, holds Bachelor's Degree of Commerce from Loyola College, Chennai. After completion of his graduation he joined the family business of Hospitality and Tourism. Mr. Sethuraman joined the business of running and maintaining the Mamalla Group of Hotels i.e. Mamalla Bhavan, Hotel Mamalla Heritage, The Golden Palate Restaurant and Motel Mamalla in the year 1989. In the year 1999, he became the managing director of Mamallapuram Pvt. Ltd. having its offices in Mamallapuram, Chennai and Cochin. He has over 20 years of experience in the hospitality industry.

None of our Directors hold current and/ or past directorship(s) for a period of five years in listed companies whose shares have been or were suspended from being traded on the Bombay Stock Exchange Limited or the National Stock Exchange of India Limited or in listed companies who have been / were delisted from stock exchanges.

Note: None of the above mentioned Directors are on the RBI List of willful defaulters as on the date of this Draft Red Herring Prospectus.

I. As on the date of this Draft Red Herring Prospectus, there is no arrangement or understanding with major, customers, suppliers or others, pursuant to which any of our Directors was selected as a director or a member of our senior management.

II. As on the date of this Draft Red Herring Prospectus, there are no service contracts entered into by and between our Directors and our Company whereby benefits would be provided upon termination of employment.

Relationships between the Directors

Sl. No.	Name of Director	Relationship Between Directors
1	Mr. Murali Kabirdass	-
2	Mrs. Haripriya Murali	Wife of Mr. Murali Kabirdass

Details of Borrowing Powers

The borrowing powers of the Company's Directors are regulated by Articles 75 of the Articles of Association of the Company.

The Board of Directors have been authorised by a resolution passed at the Extra-Ordinary General Meeting of the Company held on January 16, 2009 to borrow up to a sum of Rs. 10,000 Lakhs in excess of the aggregate of the paid up capital and free reserves of the Company except for reserves set apart for any specific reason for the conduct of the Company's business.

Compensation of Directors

The remuneration of our Managing Director, Mr. Murali Kabirdass was fixed in the board resolution dated March 10, 2011 and approved by the shareholders in the EGM dated April 06, 2011.

Name of Director	Designation	Particulars	Remuneration*
Mr. Murali Kabirdass	Managing Director	Basic Salary	Rs. 1,00,000/- per month
		Special Allowances	Rs. 50,000/- per month

* In addition to the above, Mr. Murali Kabirdass is entitled to telephone and other communication expenses for the purpose of the business and provision for a car with driver for official purposes.

In addition, our Company will, subject to the provisions of the Companies Act and other applicable laws and regulations, pay each Independent Director sitting fees to attend meetings of the Board and any committee of the Board. Our Company will also reimburse such Directors for out-of-pocket expenses to attend such meetings and perform their role as a Director. These Directors may also be paid commissions and any other amounts as may be decided by our Board in accordance with the provisions of the Articles of Association, the Companies Act and other applicable laws and regulations.

Shareholding of Directors in our Company

Except as below, the Directors do not hold any Equity Shares in our Company.

Name of Director	No. of Equity Shares held	Percentage (%)
Mr. Murali Kabirdass	68,84,300	49.49
Mrs. Haripriya Murali	10,000	0.07

Policy on Disclosure and internal procedure for prevention of Insider Trading

We will comply with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992 on the listing of our shares on BSE and NSE. Mr. Balasubramanian Muthukumar, Chief Financial Officer, Company Secretary and Compliance Officer, is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

Interest of Directors

Except for Mr. Murali Kabirdass and Mrs. Haripriya Murali (Promoter - Directors), none of our Directors are interested in the promotion of our Company.

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

All our Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to our non-promoter Directors, out of the present Issue and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. All our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by our Company with any either the Director himself, other company in which they hold directorships or any partnership firm in which they are partners, as declared in their respective declarations. Our Directors may also be regarded interested to the extent of dividend payable to them and other distributions in respect of the Equity Shares, if any, held by them or by the companies / firms / ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and Promoters, pursuant to this Issue.

Our Directors do not have any interest in any property acquired by our Company in a period of two years before the date of this Draft Red Herring Prospectus or proposed to be acquired by us as on the date of this Draft Red Herring Prospectus. For further details please refer to paragraph title “Property” in the chapter titled “Business Overview” beginning on page 82 of this Draft Red Herring Prospectus

Interest as to Property

Except as disclosed in the Draft Red Herring Prospectus, our Directors do not have any interest:

- in the promotion of our Company; or
- in any property acquired by our Company within two years from the date of the Draft Red Herring Prospectus, or proposed to be acquired by our Company.

Unsecured Loans

For details with respect to the unsecured loans of the Directors please refer section titled “Financial Statements” beginning on page 121 of this Draft Red Herring Prospectus.

Changes in the Board of Directors

The changes in the Board of Directors during the last three years are as follows:

Name	Date of Appointment/Change in designation	Date of Resignation	Reason for Change
Mr. Manohar Kabirdass	November 23, 2006	December 18, 2008	Resignation
Mrs. Anita Manohar Kabirdass	July 16, 2008	December 18, 2008	Resignation
Mrs. Haripriya Murali	July 16, 2008	NA	Appointed
Mr. J. Sethuraman	December 18, 2008	NA	Appointed as Independent Director
Mr. A.L. Somayaji	January 15, 2009	NA	Appointed as Professional director
Mr. A.L. Somayaji	September 30, 2009	NA	Change in designation as Independent Director
Mr. A.L. Somayaji	NA	March 16, 2011	Resignation
Mr. P. Jothibas	March 16, 2011	NA	Appointed as Independent Director

Changes in the Auditors

There has been no change in the Statutory Auditor of our Company since inception, except as stated below:

S. No.	Name of Auditors	Appointed for Financial Years	Status
1	Kannan Sundaram & Associates	2006 -2007	Statutory Auditor
2	M.A. Suryanarayanan & Co.	2007 – 2008 to till date	Statutory Auditor
3	M/s. Raghu & Murali	January 21, 2011	Peer Review Auditor

Capitalisation of Reserves or Profits

Except as stated in the section titled “Capital Structure” beginning on page 43 of this Draft Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

Revaluation of Assets

Our Company has not revalued its assets in the last five (5) years.

Servicing Behaviour

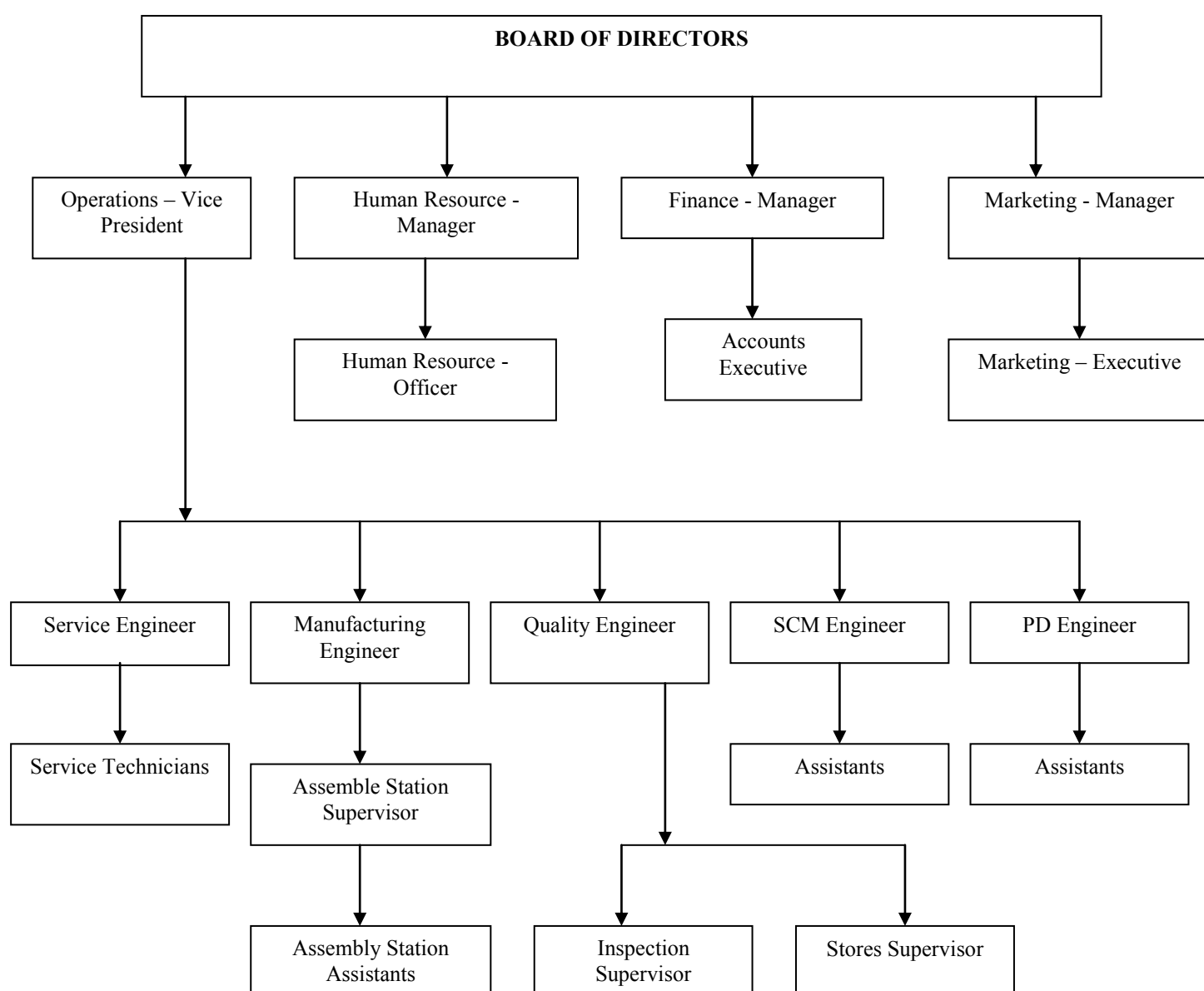
There has been no default in payment of statutory dues or of interest or principal in respect of the borrowings or deposits of our Company.

Payment or benefit to officers of our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation. Except as disclosed in “Financial Information” on page 121 of this Draft Red Herring Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

Organizational Chart

Our Management organization structure is set forth below:



Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchange(s) will be applicable to our Company immediately upon the listing of our Equity Shares with the Stock Exchanges. Our Company has complied with the corporate governance code in accordance with Clause 49 to the extent possible. 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 the Board has Four Directors, of which the Chairman of the Board is an Executive and non-independent Director, and in compliance with the requirements of Clause 49 of the Listing Agreement, the Company has one Executive Director and three Non-Executive Directors on the Board. Out of the three Non – Executive Directors, one is a Promoter Director and the other two are Independent Directors.

In terms of the Clause 49 of the Listing Agreement, our Company has already constituted the following committees.

Audit Committee

The Audit Committee was re-constituted vide Board Resolution dated March 16, 2011. The terms of the Audit Committee comply with the requirements of Section 292A of the Companies Act and Clause 49 of the listing agreement to be entered into with the Stock Exchanges. The Audit Committee of our Company currently comprises of 2 Non – Executive Independent Directors and 1 Non – Executive Promoter Director. The Chairman of the committee is a Non – Executive Independent Director.

S. No.	Name of the Member	Designation	Status
1	Mr. J. Sethuraman	Chairman	Independent Director
2	Mr. P. Jothibasu	Member	Independent Director
3	Mr. Haripriya Murali	Member	Non - Executive Director

Our Company Secretary, Mr. Balasubramanian Muthukumar, shall act as the secretary of the Audit Committee.

The role of the Committee has been defined to include the following activities:

- (a) Overseeing our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- (b) Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and fixation of audit fee.
- (c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- (d) Reviewing with the management the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
- (e) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

- (f) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- (g) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (h) Discussion with internal auditors any significant findings and follow up there on.
- (i) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- (j) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- (k) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- (l) To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- (m) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- (n) Approval of appointment of chief financial officer (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee and
6. Financial statements, in particular, the investments made by the unlisted subsidiary company.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be minuted in the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of our Company to provide clarifications on matters relating to the audit. The audit Committee is required to meet at least four times in a year under Clause 49 of the Listing Agreement.

Remuneration/Compensation Committee

The Remuneration Committee was re- constituted vide Board Resolution dated March 16, 2011. The Remuneration Committee currently comprises of 2 Non – Executive Independent Directors and 1 Non-Executive Promoter Director. The Chairman of the committee is a Non – Executive Independent Director.

S. No.	Name of the Member	Designation	Status
1	Mr. P. Jothibasu	Chairman	Independent Director
2	Mr. J. Sethuraman	Member	Independent Director
3	Mr. Haripriya Murali	Member	Non – Executive Director

Our Company Secretary, Mr. Balasubramanian Muthukumar, shall act as the secretary of the Remuneration Committee.

The Remuneration Committee has been empowered with the role and function as per the provisions as specified under Annexure I D(2) of the Corporate Governance Code under Clause 49 of the Listing Agreement including the appointment and finalizing the remuneration of senior level employees of our Company. The terms of reference of the Remuneration Committee are as follows:

- (a) The Remuneration Committee recommends to the board the compensation terms of the executive directors.
- (b) Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment.
- (c) Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors.
- (d) Ensuring the remuneration policy is good enough to attract, retain and motivate directors.
- (e) Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of our Company and the shareholders.

Shareholders'/ Investor Grievances Committee

The Shareholders'/ Investors Grievances Committee were re- constituted vide Board Resolution dated March 16, 2011. The shareholders'/ investors grievance committee currently comprises of 2 Non – Executive Independent Directors and 1 Executive Promoter Director (Managing Director). The Chairman of the committee is a Non – Executive Independent Director.

S. No.	Name of the Member	Designation	Status
1	Mr. J. Sethuraman	Chairman	Independent Director
2	Mr. P. Jothibas	Member	Independent Director
3	Mr. Murali Kabirdass	Member	Managing Director

Our Company Secretary, Mr. Balasubramanian Muthukumar, shall act as the secretary of the Shareholders'/ Investors' Grievances Committee.

The scope and function of this committee is to:

1. To approve the request for transfer, transmission, etc. of shares;
2. To approve the dematerialization of shares and rematerialization of shares, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures, if any;
3. To consider and approve, split, consolidation and issuance of duplicate shares;
4. Issue of duplicate certificates and new certificates on split/consolidation/renewal etc.;
5. To review from time to time overall working of the secretarial department of our Company relating to the shares of our Company and functioning of the share transfer agent and other related matters.
6. Reference to statutory and regulatory authorities regarding investor grievances;
7. Ensure proper and timely attendance and redressal of investor queries and grievances.
8. To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.
9. Investor relations and redressal of shareholders grievances in general and relating to non receipt of dividends, interest, non- receipt of balance sheet etc.;
10. Oversee the performance of Registrar and Transfer Agent; and
11. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

Our Company has appointed Mr. Balasubramanian Muthukumar, as the Compliance Officer for the Issue, at its Board meeting held on June 16, 2009 with effect from June 16, 2009.

Our Company also undertakes to comply with the other requirements of clause 49 of the Listing Agreement to be entered into with the Stock Exchanges.

Presently there are 8 (Eight) shareholders in our Company. Our company has not received any complaint from any shareholder/investor and hence there has not been any meeting of the Shareholders and Investors Grievances committee during the current financial year.

Key Management Personnel

In addition to the whole time Directors, the details of the key managerial employees, as of the date of this Draft Red Herring Prospectus, are as follows:

Name, Age, Designation, Qualification	Date of Appointment	Remuneration Paid in 2010 – 2011 (Rs. in Lakhs)	Experience in the Company	Previous Company and Total Experience
Mr. B. Muthukumar (Age : 50 years) Company Secretary cum Chief Financial Officer M.com , A.C.S, A.I.C.W.A	16/06/2009	12.22	1 year and 10 months	CAMS Limited 24 years
Mr. S. Kathirvel (Age : 64 years) Head – Plant and Research and Development D.M.E	01/03/2010	4.72	13 months	Best Cast IT Limited 40 years
Mr. Ian Pius D’ cruz (Age 46 years) Country Head (Marketing) B.A, M.B.A	06/08/2009	5.69	1 year and 8 months	Jubliant Motors Limited 20 years
Mr. J. Damodaran (Age: 40 years) Human Resources – Manager M.Sc., M.B.A	09/08/2007	5.67	3 years and 8 months	M.R.F. Limited 13 years
Mr. V. Govardhana Babu (Age: 50 years) Finance – Manager B.Com, M.B.A	26/11/2006	5.26	4 years & 5 months	Best Cast IT Ltd. 8 years
Mr. S. Gopal (Age 56 years) Stores and Service In charge D.M.E	1/4/2010	2.64	1 year	Econoalves (P) Ltd. 29 years
Mr. Rajesh (Age 27 years) Production In charge Dip .in Electrical and Electronics	1/4/2010	1.12	1 year	Delphi TVS Limited 4years

* Mr. Ian D’cruz had resigned from the company with effect from 02/06/2008 and has been re-appointed on 06/08/2009.

Note: None of the Key Management Personnel are relatives of the promoters as defined in Accounting Standard 18. As on date all the employees named above are on the roll of the company as permanent employees.

Shareholding of the Key Management Personnel

Except as below, the Key Management Personnel do not hold any Equity Shares in our Company.

Name of Director	No. of Equity Shares held	Percentage (%)
Mr. V. Govardhana Babu	100	0.0007
Mr. J. Damodaran	100	0.0007

Bonus or profit sharing plan of the Key Management Personnel

Currently, we do not have a performance-linked bonus or a profit sharing scheme for key management personnel. However, key management personnel are entitled to bonus payable annually. The key management personnel do not have any interest in the Company other than to the extent of the remuneration of benefits to which they are entitled as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and to the extent of equity shares held by them, if any in the Company.

Changes in the Key Management Personnel

The changes in the Key Management Personnel in the last three years are as follows:

Name of the Key Management Personnel	Date of change	Reason for Change
Mr. Ian D'cruz	02/06/2008	Resigned due to personal reasons
Mr. A. Palanivel	23/05/2008	Appointed
Mr. J. Damodaran	09/08/2007	Appointed
Mr. V. Govardhana Babu	26/11/2006	Appointed
Mr. Devkumar	30/06/2009	Resigned
Mr. M. Dennis	21/09/2009	Resigned
Mr. D.S. Yuvraj	10/09/2009	Resigned
Mr. Madhu Milton	18/03/2009	Resigned
Mr. V. Nagarajan	15/06/2009	Resigned
Mr. B. Muthukumar	16/06/2009	Appointed
Mr. Ian D'cruz	06/08/2009	Re-appointed
Mr. S. Kathirvel	01/03/2010	Appointed
Mr. S. Gopal	01/04/2010	Appointed
Mr.H.SenthilKumar	01/04/2010	Appointed
Mr. Rajesh	01/04/2010	Appointed
Mr.K.Arunkumar	01/04/2010	Appointed
Mr. A. Palanivel	07/08/2010	Resigned due to personal reasons
Mr.H.SenthilKumar	14/09/2010	Resigned due to personal reasons
Mr.K.Arunkumar	12/02/2011	Resigned due to personal reasons

Loans to the Key Management Personnel

As on date, there is no loan outstanding in the name of the Key Management Personnel.

Interests of the Key Management Personnel

The Key Management 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.

Employee Stock Option Schemes

Till date, our Company has not introduced any Employees Stock Option Scheme/ Employee Stock Purchase Scheme.

Payment or Benefit (Non-Salary Related) to officers of our Company

Except as stated in this Draft Red Herring Prospectus, no amount or benefit has been paid or given or is intended to be paid or given during the preceding two years to any of its officers except for the normal remuneration paid to the Directors, officers or employees since the incorporation of our Company.

Contingent and Deferred Compensation

No contingent or deferred compensation has accrued in favour of our Key Managerial Personnel.


PROMOTERS AND GROUP COMPANIES

I. Promoters


Our Company is promoted by Mr. Murali Kabirdass, Mrs. Haripriya Murali and M/s. Best Cast IT Limited

The details of the Promoters are as follows:

1. Mr. Murali Kabirdass

	Identification Particulars	Details
	Driving License Number	R/TN/001/007757/2005
	Passport No.	Z 1741981
	Date of Birth	November 26, 1965
	DIN	00668887
	PAN	AHWPM4757H
	Bank Name, Address and A/c No.	Axis Bank Ltd., 82, Dr. Radhakrishnan Salai, Mylapore, Chennai – 600 004. Account No. - 006010101181393
Brief Profile: Mr. Murali Kabirdass, Managing Director, aged 45 years, holds a degree in Bachelor of Commerce. He started his career with Best Cast IT Limited as a Director and gained practical experience in foundry and manufacturing automotive and engineering. He has played a very important role in the establishment of the Company and has over 20 years of experience.		

2. Mrs. Haripriya Murali

	Identification Particulars	Details
	Driving License Number	2352/A2/TN/92
	Passport No.	E 4417582
	Date of Birth	October 06, 1970
	DIN	02069039
	PAN	APFPP2376E
	Bank Name, Address and A/c No.	ICICI Bank Ltd., No. 34, Balfour Road, Kilpauk, Chennai. Account No. - 027801502682
Brief Profile: Ms. Haripriya Murali, aged 40 years has graduated with M.A. in Sociology. She joined the business at the age of 34 years and is currently the Whole Time Director of the Company. Mrs. Haripriya has an experience in administration and human resources function and is instrumental in getting various approvals and licenses from State and Central Government for the Company. She is actively involved in social organizations for development of under privileged women.		

We confirm, that the Permanent Account Number, Bank Account Number and Passport Number of the Promoters will be submitted to BSE and NSE on which our securities are proposed to be listed, at the time of filing this Draft Red Herring Prospectus with such Stock Exchanges.

3. Best Cast IT Limited

Identification Particulars	Details
Permanent Account Number	AAACB1423H
CIN No.	U27310TN1974PLC006793
Bank Name, Address and A/c No.	Axis Bank Ltd., Corporate Banking, Chennai (TN), Karumuthu Nilayam, Ground Floor, Chennai – 600 002. Account No. - 006010300017763
Best Cast IT Limited , the company, bearing Registration Number 6793 of 1974, was registered with Registrar of Companies, Tamil Nadu, Chennai as “Best Cast Private Limited” on 23/11/1974. The name of the company was subsequently changed to “Best Cast IT Limited” on 28/11/2000. The registered office is located at No. 16, Poonamallee High Road, Velappanchavadi, Chennai – 600 077. The company was promoted by Late Shri S.R.	

Kabirdass with 25 years of experience in the manufacturing of aluminium gravity die castings. Best Cast is into manufacturing of aluminium die castings. The customers of Best Cast include companies such as Habonim (Israel), Marco (USA), Warren Rupp, Inc (USA), Areva T&D (France), Turbo Technologies (India), Mando India Ltd., ABB (USA), etc. The company is not listed in any stock exchange in India or abroad. Best Cast is neither a sick industrial company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up.

Milestones

Year	Achievement
1981	New invention of aluminium castings award received from Union Minister Mr. N.D. Tiwari
1990	Developed 4 cylinder head for Tata Motors Ltd.
2002	Certified for QS 9000
2005	Best supplier award received from Tata Holset and also certified for TS 16949

Installed Capacity & Capacity Utilization

Particulars	2010	2009	2008
Installed Capacity (MT)	2,200.00	2,000.00	2,200.00
Utilized Capacity (MT)	1,860.00	2,001.60	1,982.00

Board of Directors

Sr. No.	Name	Designation
1.	Mr. Murali Kabirdass	Director
2.	Mr. Manohar Kabirdass	Director
3.	Ms. Vasantha Kabirdass	Director

Shareholding Pattern

The details of the shareholding pattern of Best Cast IT Limited as on March 31, 2010 is as under:

Sr. No.	Shareholder's Category	No. of Shares	Percentage (%)
1.	Mr. Manohar Kabirdass	19,51,800	47.60
2.	Mr. Murali Kabirdass	19,51,800	47.60
3.	Mrs. Vasantha Kabirdass	97,200	2.37
4.	Mrs. Anita Manohar Kabirdass	49,600	1.21
5.	Mrs. Haripriya Murali	49,600	1.21
	Total	41,00,000	100.00%

Financial Performance

			(Rs. in Lakhs)
Particulars	March 31, 2010	March 31, 2009	March 31, 2008
Total Income	4,587.31	5,414.42	5,496.67
Profit/ Loss after Tax	14.69	103.30	110.23
Share Capital	410.00	410.00	210.00
Reserves & Surplus	592.12	577.43	474.13
Earnings Per Share (In Rs.)	0.36	2.52	5.25
Book Value Per Share (In Rs.)	24.44	24.08	32.58

We confirm, that the Permanent Account Number, Bank Account Number and the Company Registration Number and the address of the Registrars of Companies where the company is registered, will be submitted to BSE and NSE on which our securities are proposed to be listed, at the time of filing this Draft Red Herring Prospectus with such Stock Exchanges.

Declaration by Promoters

Our Promoters, Promoter Group and Group Companies have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authorities. None of our Promoters was or also is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI.

Further, the Promoters have not been detained as a willful defaulter by the Reserve Bank of India or any other Government Authority and there are no violations of securities laws committed by the Promoters in the past or any such proceedings are pending against the Promoters.

Experience of Promoters

Our Promoters have an experience of more than 4 years in our current lines of business. Our Promoters are further assisted by a team of qualified professionals to manage the operations of our Company.

Interest of Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company, their shareholding in our Company, dividend payable, other distributions in respect of the Equity Shares and to the extent of them being director and/or key managerial personnel of our Company. The Promoters may also be deemed to be interested to the extent of the shares, if any, held by them or by the relatives or by firms or companies of which any of them is a partner and a director/ member respectively.

Except as mentioned in the part titled “Related Party Disclosure” in the section Financial Statements beginning on page 121 in this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company.

II. The Companies that are part of the Group Companies are as follows:

Sr. No.	Name of the Group Companies
1.	Kabirdass Aluminium Ltd. (Formerly known as S.R.K. Casters Private Limited)
2.	Shareway Securities Limited

The details of the Group Companies are as follows:

1. Kabirdass Aluminium Ltd.

Corporate Information

The company was incorporated on March 22, 1982 as S.R.K. Casters Private Limited with the Registrar of Companies Tamil Nadu, Chennai. The name of the company was changed to Kabirdass Aluminium Private Limited vide fresh certificate of incorporation granted on January 05, 2010 with CIN: U24294TN1982PTC009292. Further, the company was converted as a public limited company and the name of the company was changed to Kabirdass Aluminium Ltd. vide fresh certificate incorporation dated July 01, 2010. Its Corporate Identification Number is U24294TN1982PLC009292. Its registered office is situated at No. F-17, Ambattur Industrial Estate, Ambattur, Chennai 600 058.

Business Activities

The Company is engaged in the business of manufacture of aluminium gravity die castings for foundry purposes and all types of automobile components.

Board of Directors

The Board of directors of Kabirdass Aluminium Ltd. consists of:

Sr. No.	Name
1.	Mr. Murali Kabirdass
2.	Mr. Manohar Kabirdass
3.	Ms. Vijayanthy Kabirdass

Shareholding Pattern

The details of the shareholding pattern of Kabirdass Aluminium Ltd. as on March 31, 2010 is as under:

Sr. No.	Name of the shareholder	No. of equity shares
1.	Mr. Murali Kabirdass	14,950
2.	Mr. Manohar Kabirdass	14,950
3.	Ms. Vijayanthy Kabirdass	9,200
4.	Mr. G. Sudhakar	9,200
5.	Mrs. Vasantha Kabirdass	1,000
6.	Mrs. Anita Manohar Kabirdass	1,000
7.	Mrs. Haripriya Murali	1,000
TOTAL		51,300

Financial Performance

(Rs. in Lakhs)

Particulars	For the year ended		
	March 31, 2010	March 31, 2009	March 31, 2008
Total Income	108.67	134.21	153.51
Profit After Tax	(9.44)	7.02	7.29
Equity Share Capital	5.13	2.10	2.10
Reserves & Surplus	273.57	285.74	279.77
EPS (Rs.)	(18.40)	33.43	34.71
Book Value per Share (Rs.)	543.27	1,370.67	1,342.24

Kabirdass Aluminium Ltd. has not made any public or rights issue during last three years.

The company is not listed in any stock exchange in India or abroad.

The company has not become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up.

The company has made loss of Rs. 9.44 lakhs in the financial year 2009-10.

2. Shareway Securities Limited

Corporate Information

The Company was incorporated on March 24, 2008 as Shareway Securities Limited with the Registrar of Companies Tamil Nadu, Chennai. Its Corporate Identification Number is U67120TN2008PLC066952. Its registered office is situated at Flat No. E, 2nd Floor, Gilli Flower, L Block, Old No. 46, New No. 6, 23rd Street, Anna Nagar East, Chennai – 600 102. SEBI has granted certificate of registration (registration number: INF 231309338) dated September 04, 2008 (re-issued on June 15, 2010), to the company under the (Stock Brokers and Sub Brokers) Regulations, 1992, for carrying on the activities of buying, selling or dealing in securities and carrying such other activities.

Business Activities

The Company is engaged in the business of share and stock broking derivative broking, mobilize and manage funds of financial institutions, etc.

Board of Directors

The board of directors of Shareway Securities Limited consists of:

Sr. No.	Name
1.	Mr. Murali Kabirdass
2.	Mrs. Haripriya Murali
3.	Mr. Manohar Kabirdass
4.	Mrs. Anita Manohar Kabirdass

Shareholding Pattern

The details of the shareholding pattern of Shareway Securities Limited as on March 31, 2010 is as under:

Sr. No.	Name of the shareholder	No. of equity shares
1.	Mr. Murali Kabirdass	5,00,000
2.	Ms. Haripriya Murali	5,00,000
3.	Mr. Manohar Kabirdass	4,00,000
4.	Mrs. Anita Manohar Kabirdass	4,00,000
5.	M/s Best Cast IT Limited	10,000
6.	M/s. SRK Caster Private Ltd. (Now, Kabirdass Aluminium Ltd.)	10,000
7.	M/s Kabirdass Motor Company Ltd.	10,000
TOTAL		18,30,000

Financial Performance

(Rs. in Lakhs)

Particulars	For the year ended	
	March 31, 2010	March 31, 2009
Total Income	28.33	8.61
Profit After Tax	(80.93)	(27.65)
Equity Share Capital	183.00	183.00
Reserves & Surplus	(108.58)	(27.65)
EPS (Rs.)	(4.42)	(1.51)
Book Value per Share (Rs.)	3.49	7.73

Shareway Securities Limited has not made any public or rights issue during last three years.

The company is not listed in any stock exchange in India or abroad.

The Company has not become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up.

The Company has made loss of Rs. 80.93 lakhs and Rs. 27.65 lakhs in the financial year 2009-10 and 2008-09 respectively.

Interest in any property acquired by our Company within two years of the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

The Promoters are not interested in any property that has been acquired by our Company within two years from the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

Payment or benefit to Promoters of our Company

Except as stated in the section/parts titled "Our Management" and "Related Party Disclosure" in "Financial Statements" on page 103 and on page 131 of this Draft Red Herring Prospectus respectively, no benefits have been paid or given to the Promoters within the two years preceding the date of the Draft Red Herring Prospectus.

There is no bonus or profit sharing plans for our Promoters.

Common Pursuits

The Promoters and Directors do not have any interest in any venture that is involved in any activities similar to those conducted by our Company or any member of the Promoter Group. Our Company shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as on when they may arise.

For further details on the related party transactions, to the extent of which our Company is involved, please refer to part titled “Related Party Disclosure” in “Financial Statements” on page 131.

Business Interest

None of the Group Companies has business interest in our Company.

Defunct Promoter Group Companies

There are no defunct Promoter Group companies

CURRENCY OF PRESENTATION

In this Draft Red Herring Prospectus, all references to “Rupees” and “Rs.” are to the legal currency of India.

DIVIDEND POLICY

The declaration and payment of dividend will be recommended by our Board and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including but not limited to the results of operations, earnings, capital requirements and surplus, overall financial condition, applicable Indian legal restrictions and other factors considered relevant by the Board. The Board may also from time to time pay interim dividends. All dividend payments are made in cash to the shareholders of our Company.

We have not declared any dividend on the Equity Shares since inception.

Our dividend policy in the past is not necessarily indicative of our dividend policy or dividend amounts in the future.

SECTION VII- FINANCIAL STATEMENTS

FINANCIAL INFORMATION

AUDITORS' REPORT

To,
The Board of Directors,
Kabirdass Motor Company Limited,
No. 16, Poonamallee High Road,
Velappanchavadi,
Chennai – 600 077.

Dear Sirs,

- I. We have examined the attached financial information of M/s. KABIRDASS MOTOR COMPANY LTD as approved by the Board of Directors of the Company prepared in terms of the requirements of Paragraph B, Part II of Schedule II of the Companies Act, 1956 (the Act) and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (SEBI Regulation) and terms of our engagement agreed with you in accordance with letter dated January 21, 2011 in connection with the proposed Equity offering.

The Company proposes to make an Initial Public Offering (IPO) of Equity Shares having a face value of Rs. 10/- each at a premium arrived through 100% book building process as may be decided by the Board of Directors of the Company and the terms of our engagement agreed upon with the Company in accordance with our engagement letter dated January 21, 2011 in connection with the proposed IPO of Equity Shares of the Company.

- II. We have, in terms of Securities and Exchange Board of India (ICDR) Regulations, 2009 re- audited the Balance Sheet of M/s. KABIRDASS MOTOR COMPANY LTD as at 31st December, 2010 and the Profit and Loss Account and the Cash Flow Statement of the Company for the period ended on that date, which have been audited by M/s. M. A. Suryanarayanan & Co (Registration Number of the firm 007234S), Chartered Accountants, Chennai. In our opinion and to the best of our information and according to the explanation given to us, and also as per the reliance placed on the reports submitted by the Statutory Auditors, M/s. M. A. Suryanarayanan & Co (Registration Number of the firm 007234S) the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India.
- III. We have examined the attached 'Summary Statement of Assets and Liabilities' as restated of the Company as at 31st December 2010 (for 9 months of the financial year 2010-11) 31st March 2010, 31st March 2009, 31st March, 2008 and 31st March, 2007 (**Annexure 1**) and the attached 'Statement of Profit and Loss' as restated (**Annexure 2**) and the attached 'Statement of Cash Flows' as restated (**Annexure 3**) for the nine months ended on 31st December 2010 and for the financial years ended on 31st March 2010, 2009, 2008 and 2007 together referred to as 'Restated Summary Statement'. These Summary Statements have been extracted from the financial statements for the period ended 31st December 2010 (for 9 months of the financial year 2010-11), March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007. Audit for the financial year ended 31st December 2010 (for 9 months of the financial year 2010-11) March 31, 2010, March 31, 2009 and March 31, 2008 was conducted by the statutory auditors, M/s. M. A. Suryanarayanan & Co (Registration Number of the firm 007234S), Chartered Accountants. The audit for the year ended 31st March 2007 was conducted by the previous auditors M/s. Kannan Sundaram & Associates (Registration Number of the firm 010937S), The financial information included for the 31st December 2010 (for 9 months of the financial year 2010-11) and financial year ended March 31, 2010, March 31, 2009, March 31, 2008 & March 31, 2007 are based on reports submitted by them and have been relied upon by us while expressing our opinion and reporting on various restated financial information and annexure thereof expressly stated in the following paragraphs.
- IV. Based on the above, we report that in our opinion and according to the information and explanations given to us, we have found the same to be correct and the same have been accordingly used in the standalone financial information.

V. Based on above and also as per the reliance placed on the reports submitted by the previous auditors, M/s. Kannan Sundaram & Associates (Registration Number of the firm 010937S) & M/s. M. A. Suryanarayanan & Co (Registration Number of the firm 007234S) Chartered Accountants for the respective years we state that:

- i) The 'Summary Statements' have to be read in conjunction with the Significant Accounting Policies and Notes to Accounts as well as with the audit report on the financial statements
- ii) The profits / losses have been arrived at after charging all expenses including depreciation and after making such adjustment and regroupings as in our opinion are appropriate in the year/period to which they relate.
- iii) No dividend has been declared till date. There have been no contingent liabilities in the Company except the liabilities as given in the report separately.
- iv) In respect of unsecured loans obtained from parties covered by register maintained U/s. 301 of the Companies act, and are repayable on demand.
- v) (A) The accounts as given in the enclosed statements do not require any restatement on the following categories:
 - a. There have been no adjustments for the changes in accounting policies retrospectively in respective financial years.
 - b. There have been no material adjustments in the respective financial years to which they relate excepting the following:
 - i) Depreciation on Tools and jigs amounting to Rs.19,00,000 relating to 2007-2008 & 2008-2009 is recognized as prior period item in accordance with the provisions of Accounting Standards issued by the Institute of Chartered Accountants of India. Due to the above provision the profit and loss account figures have been restated to the extent of the above provision.
 - ii) Provision for Deferred tax liability has been provided additionally for Rs.3,81,642 in addition to the existing provision of Rs. 42,39,271 for the financial year 2009-10. The above figures have been re stated in the financial statements.
 - c. There are no extra ordinary items that need to be disclosed separately in the accounts and qualification requiring adjustments.
- (B) The accounts as given in the enclosed statements have been restated and considered in the respective Financial Years as per the Accounting standards issued by the Institute of Chartered Accountants of India and the same is as follows:-
 1. Provision for Depreciation has been provided for Rs.9,50,000 for the financial year 2007-08 and Rs.9,50,000 for the financial year 2008-09.
 2. Provision for Income Tax and Fringe Benefit Tax has been provided at Rs.10,30,485 for the financial year 2008-09 which has been reduced to Rs.9,19,208/- in this financial statement. The difference is arising because the provision for tax for earlier years has been written back and the same has been adjusted in the provision for tax from the current liability side of the balance sheet.
 3. Deferred Tax Liability & Asset

For the period ending December 31, 2010

Deferred Tax Asset / Liability pertaining to the year 2010-11 (for a period of 9 months upto December 31, 2010) on timing difference of the following:

A. Deferred Tax Liability for the previous financial year 2009-10

On account of Miscellaneous Expenses (to the extent not written off) for the financial years 2007-08, 2008-09 and 2009-10 net amounting to Rs.62,74,491 (after adjustment of the opening balance of Deferred Tax Liability of Rs.1,90,480)

The above difference amounting to Rs.46,20,913 (Rs.64,64,971-Rs.18,44,058) is shown in the balance sheet as a deferred tax liability

The above figure of Rs.44,30,433 has been considered in the Restated financial statements in the respective financial years of 2007-08, 2008-09 and 2009-10.

B. Deferred Tax Asset for the period ending December 31, 2010

On account of Carry forward losses the deferred tax asset amounting to Rs. 19, 94,815

Totalling to Rs. 19, 94,815/-

On account of the above deferred tax asset for the period ending December 31, 2010 the deferred tax liability considered in the financial year 2009-10 has been adjusted during this period.

We confirm that our firm Raghu & Murali has been subject to peer review of Institute of Chartered Accountants of India (ICAI) and firm holds a Valid Certificate No. 002063 dated. 30th December 2008 issued by "Peer Review Board" ICAI.

VI. Other Financial Information:

We have also examined the following other financial information set out in Annexure prepared by the management and approved by the Board of Directors relating to the Company for the period ended 31st December 2010 (for 9 months of the financial year 2010-11), March 31, 2010, March 31, 2009, March 31, 2008 & March 31, 2007. Statutory Audit for the financial year ended 31st December 2010 (for 9 months of the financial year 2010-11) March 31, 2010, March 31, 2009 and March 31, 2008 was conducted by the statutory auditors, M/s. M. A. Suryanarayanan & Co (Registration Number of the firm 007234S), the statutory audit for the year ended 31st March 2007 was conducted by the previous Statutory auditors M/s. Kannan Sundaram & Associates (Registration Number of the firm 010937S), Chartered Accountants and the corresponding information have been included based upon the reports submitted by them and relied upon by us. We have conducted the re-audit for the period ended 31st December 2010 (for 9 months of the financial year 2010-11), and restated the financial statements for the financial years 2006-07, 2007-08 2008-09 and 2009-10 as given below:

1. Schedule of Balance Sheet, Annexure – 1
2. Schedule of Profit and Loss, Annexure – 2
3. Schedule of Cash flow statement – Annexure – 3
4. Schedule of Other Income, Annexure – 4
5. Schedule of Secured Loans, Annexure – 5
6. Schedule of Unsecured Loans, Annexure – 6
7. Schedule of Sundry Debtors, Annexure – 7
8. Schedule of Loans & Advances, Annexure – 8
9. Schedule of Administrative & Other Expenses, Annexure – 9

10. Schedule of Ratios, Annexure – 10
11. Capitalization Statement, Annexure – 11
12. Statement of Miscellaneous Expenditure (To the extent not written off)-12
13. Statement of Tax Shelter, Annexure – 13

In our opinion, the 'Financial Information as per Audited Financial Statements' and 'Other Financial Information' mentioned above read with Significant Accounting Policies and Notes to Accounts and the audit report for the period ended 31st December 2010 (for 9 months of the financial year 2010-11) 31st March 2010, 31st March 2009, 31st March, 2008 & 31st March 2007 have been prepared in accordance with Part II of schedule II of the Act, and the SEBI Regulations.

This report should not in any way be construed as a re-issuance or redrafting of any of the previous audit report by other firms of Chartered Accountants or by us nor should this be construed as a new opinion on any of the financial statements referred to herein.

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

**For Raghu & Murali,
Chartered Accountants**

Place: Chennai
Date: March 31, 2011

(CA Muralidharan D.V)
(Partner)
Membership No: 018484
Firm Registration No.: 007564 S
Peer Review No.: 002063

SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements are prepared under the historical cost convention on an accrual basis and comply with the accounting standards issued by the Institute of Chartered Accountants of India referred to in section 211 (3C) of the Companies Act, 1956.

(b) Fixed assets, depreciation and amortisation

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. The Company capitalises all costs relating to the acquisition and installation of fixed assets. The carrying amounts of fixed assets and intangible assets are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts and where carrying values exceed the estimated recoverable amount, assets are written down to the recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

Depreciation is provided, using the straight line method, pro rata to the period of use of assets, at the rates specified in Schedule XIV to the Companies Act, 1956. Fixed assets whose aggregate cost is Rs. 5,000 or less are depreciated fully in the year of acquisition.

(c) Inventories

The inventories viz., closing stock of raw materials, spares, finished goods, Work-in-process were verified by the management and duly certified by them with respect to Quantity and valuation. These financial statements were prepared based on the same valuation as per the above certificates furnished by the management. In the financial statements the inventories were taken in to account on the basis of the below mentioned system of valuation.

All inventories are valued at moving weighted average price other than finished goods, which are valued on quarterly moving average price. Finished goods and Work in Progress is computed based on respective moving weighted average of procured materials and appropriate share of labour and other manufacturing overheads. Finished goods are valued at cost or net realizable value, whichever is lower. Cost also includes all charges incurred for bringing the inventories to their present location and condition. Excise and customs duty accrued on production or import of goods, as applicable, is included in the valuation of inventories. Inventories of samples and stores and spare parts are valued at cost. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

(d) Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating investing and financing activities of the Company are segregated.

(e) Miscellaneous Expenditure

Preliminary and preoperative expenses are amortized over ten years. Brand promotion expenses are amortized over a period of five years. IPO Expenses are accumulated and the same will be amortized over the period from the year of issue.

(f) Recognition of Income and Expenses

1. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
2. Sales and purchases are accounted for on the basis of passing of title to the goods
3. Sales comprise of sale price of goods including excise duty but exclude trade discount and value added tax

4. All items of income and expenses have been accounted for on accrual basis except for those income stipulated for recognition on realization basis on the ground of uncertainty under AS-9 issued by ICAI.

(g) Foreign currency Transactions

Foreign currency transactions are recorded in the books by applying the exchange rate as on the date of transaction.

(h) Investments:

Investments were valued at cost or market price whichever is lesser.

(i) Retirement Benefits

Contribution to Provident Fund and Earned Leave Encashment are accounted on actual liability basis. The liability in respect of Gratuity is not provided for during the year.

(j) Financing/Borrowing cost

Financing/Borrowing costs attributable to acquisition and/or construction of qualifying assets are capitalised as a part of the cost of such assets, up to the date such assets are ready for their intended use. Other financing/borrowing costs are charged to Profit & Loss account. Initial direct costs are recognised immediately as an expense. Expenses incurred in connection with raising of funds are amortised over the tenure of the borrowing.

(k) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at the balance sheet date and adjusted to reflect the current best estimates.

(l) Segment Reporting

The Company is operating in a single segment and hence the segment reporting is not applicable to the Company.

(m) Earnings per share

Earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average numbers of equity shares outstanding during the year are adjusted for events of bonus issue to existing shareholders and share split.

(n) Income-tax / Deferred Tax

Tax expense comprises of current, and deferred tax liabilities. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income Tax Act, 1961 as applicable to the current financial year. Deferred income taxes/ Deferred Tax Asset reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax Liability/ Deferred Tax Asset is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

(o) Impairment of Fixed Assets

The Company provides for impairment of assets in accordance with AS28 Issued by the ICAI. During the year, no provision for impairment is considered necessary after considering the amortization and depreciation provided for

(p) Dividend

For the period mentioned, above the Company has not declared any dividend nor any provision has been made.

NOTES ON ACCOUNTS

a) Unsecured loan

For the period ended 31.12.2010

The Company has entered into an Amendment agreement for the convertible Debenture Subscription agreement on 31st March 2010 for the reduction of amount to Rs. 1,251 Lakhs from the outstanding amount of Rs.2,000 Lakhs. The sum of Rs. 1,251 Lakhs received from M/s Bennett, Coleman & Co. Ltd is towards 0% convertible Debentures. The Company has repaid the amount of Rs. 749 Lakhs on 8th May 2010 to M/s Bennett, Coleman & Co. Ltd. The Company has allotted 3909375 equity shares at a premium of Rs. 22 per share on 31st May 2010 to M/s. Bennett, Coleman & Co. Ltd. The Company has realized the securities premium of Rs. 860 Lakhs on allotment of shares to M/s Bennett, Coleman & Co. Ltd. On allotment of shares the convertible debenture value of Rs.1,251 Lakhs stands extinguished.

For the year ended 31.03.2010

The Company has entered into a Amendment agreement for the convertible Debenture Subscription agreement on 31st March 2010 for the reduction of amount to Rs. 1,251 lakhs from current outstanding amount of Rs.2,000 Lakhs.

For the year ended 31.03.2009

The sum of Rs. 2,000.00 Lakhs only received from M/s. Bennett, Coleman & Co. Ltd., against issue of 0% convertible debentures to be converted in to equity shares as per the terms of their agreement

b) Loans & Advances

The Loans and advances include Rs.400 lakhs due from Managing Director of the Company.

(Rs. In Lakhs)

Name	Nature of Transactions	Relationship	Balance as on December 31, 2010	Balance as on March 31, 2010	Balance as on March 31, 2009	Balance as on March 31, 2008	Balance as on March 31, 2007
Murali Kabirdass	Lease Deposit	Chairman & Managing Director	400.00	400.00	400.00	200.00	100.00

c) Prior period item

The Company has not provided Depreciation on Tools and jigs in the earlier annual reports for the financial years 2007-08 and 2008-09. We have provided depreciation amounting to Rs.9,50,000 in each of the financial years 2007-2008 & 2008-2009 in this restated financial statements. The above mentioned depreciation has been provided and recognised in the respective financial years of 2007-08 and 2008-09 in accordance with the Accounting Standard-5 issued by the Institute of Chartered Accountants of India, New Delhi.

d) Foreign Exchange Transactions for the financial years

(Rs. In Lakhs)

	<u>December 31, 2010</u>	<u>March 31, 2010</u>	<u>March 31, 2009</u>	<u>March 31, 2008</u>	<u>March 31, 2007</u>
CIF Value of Imports	Nil	4.18	196.76	208.49	26.46

(Rs. In Lakhs)

	<u>December 31, 2010</u>	<u>March 31, 2010</u>	<u>March 31, 2009</u>	<u>March 31, 2008</u>	<u>March 31, 2007</u>
Earnings In Foreign Exchange	Nil	NIL	NIL	NIL	NIL

Foreign Exchange Outgo

(Rs. In Lakhs)

	<u>December 31, 2010</u>	<u>March 31, 2010</u>	<u>March 31, 2009</u>	<u>March 31, 2008</u>	<u>March 31, 2007</u>
Foreign Exchange Outflow	NIL	NIL	NIL	NIL	NIL

e) Earnings Per share

Particulars	As on December 31, 2010	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Net Profit for basic earnings per share as per profit and loss account (Rs. In Lakhs)	73.63	(68.11)	9.74	(6.03)	-
Net Profit for diluted earnings per share (Rs. In Lakhs)	73.63	(68.11)	9.74	(6.03)	-
Weighted average number of equity shares for calculation of Basic Earnings Per Share (face value of Rs.10/- per share) {A}	1,30,56,420	1,00,00,000	91,04,932	42,93,027	43,677
No. of equity shares that has arisen on conversion of debenture on May 31, 2010 {B}	0	39,09,375	39,09,375	0	0
Weighted average number of equity shares for calculation of Diluted Earnings Per Share (face value of Rs.10/- per share) [C= {A+B}]	1,30,56,420	1,39,09,375	1,30,14,307	42,93,027	43,677
Earnings Per Share:					
(a) Basic (in Rs.)	0.56	(0.68)	0.11	(0.14)	0
(b) Diluted (in Rs.)	0.56	(0.49)	0.07	(0.14)	0

f) Deferred Tax (For the Period ended 31.12.2010)

(In Rs.)

	<u>December 31, 2010</u>	<u>Current Year</u>	<u>March 31, 2010</u>
Deferred Tax Liability			
WDV as per Companies Act	2,27,46,380		
WDV as per Income tax Act	75,72,688		

Timing Difference	1,51,73,692		

DTL Income tax rate 30.09% (A)	46,88,670		
Timing difference on Carry Forward Loss A.Y.2010-11	216,29,405		
DTA Income tax rate 30.09% (B)	66,83,486		
Total DTA for Balance sheet	19,94,815	66,15,728	46,20,913

(Rs. In Lakhs)

Sr. No.	Particulars	For the period ended				
		31-03-2007	31-03-2008	31-03-2009	31-03-2010	31-12-2010
	Deferred Tax Provision	-	0.93	0.97	44.31	-
	Deferred Tax Asset					66.16
	Deferred Tax Liability	0	0.93	1.90	46.21	0

g) Remuneration to Auditors

Particulars	31.12.2010	31.03.2010	31.03.2009	31.03.2008	31.03.2007
For Audit	Rs.75,000	Rs.1,00,000	Rs.1,00,000	Rs. 30,000	0

h) Capacities, Production, Opening & Closing Stock and Turnover/ Consumption.

i) Manufacturing of Electric Scooter: Installed Capacity – 40500 Units

ii) Finished Goods (in Units)

Financial Year	Finished Goods	Opening Stock	Production	Sales	Closing stock
Nine months ended December 31, 2010	Electric Scooters	89	401	391	99
2009-2010	Electric Scooters	223	913	1,047	89
2008-2009	Electric Scooters	255	897	929	223
2007-2008	Electric Scooters	0	1,247	992	255
2006-2007	Electric Scooters	0	0	0	0

iii) Raw Materials consumed (in Units)

For the nine months ended December 31, 2010

Raw Material	QTY	Value (In Rs.)
Batteries	1451	2821368
Chargers	456	402019
Controller	166	232264
Converter	70	21613

For the Financial Year 2009-2010

Raw Material	QTY	Value
Batteries	1566	30,44,993
Chargers	487	4,29,352
Controller	253	3,53,993
Converter	164	50637

For the Financial Year 2008-2009

Raw Material	QTY	Value
Batteries	4,014	71,88,542
Chargers	503	3,22,695
Controller	620	5,76,779
Converter	817	1,62,469

For the Financial Year 2007-2008

Raw Material	QTY	Value
Batteries	6,894	78,28,898
Chargers	1,752	8,97,357

Controller	273	5,91,866
Converter	70	13,920

For the Financial Year 2006-2007

Raw Material	QTY	Value
Batteries	208	4,56,996
Chargers	27	13,829
Controller	47	99,924
Converter	27	5,369

i) Contingent liabilities not provided for

- 1) Claim for damages - Rs.3.75 Lakhs
- 2) Commercial Taxes dues under appeals:

S. No.	Assessment year	Disputed tax / Additional tax as assessed by the Assistant Commissioner (In Rs.)
1	2006-2007	38,412
2	2007-2008	19,94,810
3	2008-2009	18,77,662
4	2009-2010	90,314
	Total	40,01,198

For the years 2006-07, 2007-08, the Company has remitted the disputed taxes in full and the appeals are only pending. There is no liability for the years 2006-07 and 2007-08. The Company has obtained the stay orders for the assessment year 2008-09 passed by the Appellate Deputy Commissioner of Commercial Taxes VI, Chennai. For the year 2009-10 the appeals are pending with the respective authorities.

- j)** Previous year's figures have been regrouped / recast wherever necessary. The amounts have been approximated to the nearest rupee.

k) Related Party Disclosures:

1. Enterprise where significant influence exists:

1. Best Cast IT Limited
2. Shareway Securities Limited
3. Kabirdass Aluminium Limited (Formerly M/s. S.R.K. Casters Private Limited)

2. Key Managerial Personnel

Key Managerial Personnel	Position
Mr. Murali Kabirdass	Promoter and Chairman & Managing Director
Mr. Manohar Kabirdass	Director*

* Mr. Manohar Kabirdass is not on the board effective from 18.12.2008

3. Details of Related Party Transactions:

For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly controlled by the party or exercise, significant influence over the financial/operating decisions or vice versa, where the Company and the party are subject to common control or common significant influence.

(Rs. In Lakhs)

S. No.	Name	Nature of Transactions	Relationship	For the year ended March 31,				Nine months ended December 31, 2010
				2007	2008	2009	2010	
1.	Best Cast IT Limited	Sales of Tools & Dies	Enterprise where significant influence exists	200.00	-	-	-	-
2.	Mr. Murali Kabirdass	Lease Deposit	Promoter and Chairman & Managing Director	100.00	200.00	-	-	-
3.	Mr. Manohar Kabirdass		Director*	100.00	-	-	-	-
4.	Shareway Securities Ltd	Investment in Equity Share capital	Enterprise where significant influence exists	-	-	1.00	1.00	1.00
5.	Kabirdass Aluminium Limited (S.R.K. Casters Pvt Ltd)	Loan received	Enterprise where significant influence exists	-	-	-	202.67	120.65
6	Best Cast IT Limited	Trade advance	Amount received and repaid during the year	-	-	-	97.65	-

* Mr. Manohar Kabirdass is not on the board effective from 18.12.2008

4. Details of Related Parties where there is no transaction: Nil

ANNEXURE – 1

SCHEDULE OF BALANCE SHEET OF KABIRDASS MOTOR COMPANY LIMITED

(Rs. In Lakhs)					
Particulars	For the period ended				
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	December 31, 2010
Fixed Assets					
Gross Block	215.23	230.98	232.72	273.47	276.44
Less: Depreciation	-	11.05	22.40	37.29	48.97
Net Block	215.23	219.93	210.32	236.18	227.47
Total (A)	215.23	219.93	210.32	236.18	227.47
Investment (B)	-	-	1.00	1.14	1.14
Deferred Tax Asset (C)	-	-	-	-	19.94
Current Assets, Loan & Advances					
Inventories	22.21	180.26	342.69	155.48	132.60
Sundry Debtors	-	22.49	75.37	187.17	319.24
Cash & Bank Balances	22.26	7.65	8.77	16.79	82.41
Loans & Advances	224.50	488.95	2,385.13	2,408.82	1,528.60
Other Current Assets	-	2.91	-	-	-
Total (D)	268.97	702.26	2,811.96	2,768.26	2,062.85
Liabilities & Provisions					
Secured Loans from Bank	-	49.71	172.74	113.45	117.63
Unsecured Loans	80.68	27.19	2,047.79	2,212.48	426.69
Current Liabilities	22.57	13.62	18.07	59.83	48.85
Provisions	0.85	2.08	9.19	-	-
Deferred Tax Liability	-	0.93	1.90	46.21	-
Total (E)	104.10	93.53	2,249.69	2,431.97	593.17
Net Worth (A+B+C+D-E)	380.10	828.66	773.59	573.61	1,718.23
Net Worth Represented By					
Equity Share capital	425.33	910.00	1,000.00	1,000.00	1,390.93
Reserves & Surplus	-	(6.03)	3.71	(64.40)	869.31
Less: Miscellaneous Expenses (To the extent not written off)	45.23	75.31	230.12	361.99	542.01
Net Worth	380.10	828.66	773.59	573.61	1,718.23

ANNEXURE – 2

SCHEDULE OF PROFIT AND LOSS OF KABIRDASS MOTOR COMPANY LIMITED

(Rs. In Lakhs)					
Particulars	For the period ended				
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	December 31, 2010
Income					
Gross Sales	-	251.67	275.81	320.79	163.23
Less :- Excise Duty	-	2.21	15.33	0.29	5.07
Net Sales	-	249.46	260.48	320.50	158.16
Increase / (Decrease) in Stock	-	158.05	162.42	(187.20)	(22.88)
Other Income	-	-	77.16	-	-
Total Income	-	407.51	500.06	133.30	135.28
Expenditure					
Raw Material Purchase	-	232.89	229.97	5.74	64.50
Manufacturing Expenses	-	65.80	89.80	9.24	9.55
Administrative & Other Expenses	-	84.03	124.60	80.92	37.38
Pre-operative & Deferred Revenue Expenses written off	-	13.17	16.97	36.73	-
Total	-	395.89	461.34	132.63	111.43
Net Profit/ (Loss) before Interest, Depreciation & Tax	-	11.62	38.72	0.67	23.85
Depreciation	-	11.05	11.35	14.89	11.68
Finance Charges	-	3.59	7.47	9.58	4.70
Net Profit/ (Loss) before Tax	-	(3.02)	19.90	(23.80)	7.47
Provision for Taxation					
- Current Tax	-	1.07	7.89	-	-
- Fringe Benefit Tax	-	1.01	1.30	-	-
- Deferred Tax Liability /(Deferred Tax Assets)	-	0.93	0.97	44.31	(66.16)
Net Profit/ (Loss) after Tax	-	(6.03)	9.74	(68.11)	73.63
Profit Available for Appropriation	-	(6.03)	9.74	(68.11)	73.63
Balance B/f from last year	-	-	(6.03)	3.71	(64.40)
Profit/ (Loss) transferred to B/S	-	(6.03)	3.71	(64.40)	9.23

Note: In the financial year 2009 -10 Raw Material Purchase is reduced by Excise Duty Reversal - Credit taken of Rs. 16.24 Lakhs.

ANNEXURE – 3

SCHEDULE OF CASH FLOW STATEMENT OF KABIRDASS MOTOR COMPANY LIMITED

(Rs. In Lakhs)					
Particulars	For the period ended				
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	December 31, 2010
Cash Flow From Operating Activities					
Profit/ (Loss) Before Tax	-	(3.02)	19.90	(23.80)	7.47
Interest	-	3.59	7.47	9.58	4.70
Depreciation	-	11.05	11.35	14.89	11.68
Operating Cash Flow	-	11.62	38.72	0.67	23.85
Changes in Working Capital	(223.29)	(455.62)	(2,097.02)	84.29	760.05
Inventories	(22.21)	(158.05)	(162.43)	187.21	22.88
Sundry Debtors	-	(22.49)	(52.88)	(111.80)	(132.07)
Loans & Advances	(224.50)	(264.45)	(1,896.18)	(23.69)	880.22
Other Current Assets	-	(2.91)	2.91	-	-
Current Liabilities	22.57	(8.95)	4.45	41.76	(10.98)
Provisions	0.85	1.23	7.11	(9.19)	-
Cash Generated from Operating Activity	(223.29)	(444.00)	(2,058.30)	84.96	783.90
Cash Flow From Investing Activities					
Change in Fixed Asset	(215.23)	(15.75)	(1.74)	(40.75)	(2.97)
Change in Investment	-	-	(1.00)	(0.14)	-
Change in Misc. Expenditure to the extent not w/off	(45.23)	(30.08)	(154.81)	(131.87)	(180.02)
Cash Generated From Investing Activity	(260.46)	(45.83)	(157.55)	(172.76)	(182.99)
Cash Flow From Financing Activities					
Change in Equity Share Capital	425.33	484.67	90.00	-	390.93
Change in Securities Premium	-	-	-	-	860.08
Change in Secured Loan	-	49.71	123.03	(59.29)	4.18
Change in Unsecured Loan	80.68	(53.49)	2,020.60	164.69	(1,785.79)
Change in Deferred Tax Liabilities	-	0.93	0.97	44.31	(46.21)
Change in Deferred Tax Assets	-	-	-	-	(19.94)
Interest Paid	-	(3.59)	(7.47)	(9.58)	(4.70)
Tax Paid	-	(3.01)	(10.16)	(44.31)	66.16
Cash Generated From Financing Activity	506.01	475.22	2,216.97	95.82	(535.29)
Surplus/(Deficit) During the period	22.26	(14.61)	1.12	8.02	65.62
Opening Cash & Bank Balances	-	22.26	7.65	8.77	16.79
Closing Cash & Bank Balances	22.26	7.65	8.77	16.79	82.41

ANNEXURE – 4

SCHEDULE OF OTHER INCOME

(Rs. In Lakhs)

Particulars	For the financial year ended				
	31-03-2007	31-03-2008	31-03-2009	31-03-2010	31.12.2010
Other Income					
Miscellaneous Income (non recurring)	-	-	77.16	-	-
Total	-	-	77.16	-	-

Miscellaneous income represent income out of transfer of license, approval etc of K1500SI to Hero Ecotech Ltd. during the year 2008-09.

ANNEXURE – 5

SCHEDULE OF SECURED LOANS

(Rs. In Lakhs)

Particulars	31-03-2007	31-03-2008	31-03-2009	31-03-2010	31-12-2010
From Bank					
Loan secured by Hypothecation of stocks, book debts and vehicle	--	49.71	172.74	113.45	117.63

Principal Terms of Outstanding Loans as on December 31, 2010

(Rs. In Lakhs)

Sr. No.	Name of the Bank	Date of Sanction	Amount sanctioned (Rs. In Lakhs)	Amount o/s as on 31/12/2010	Rate of Interest (%)	Repayment Terms	Security
1.	Axis Bank Limited - Cash Credit	15 th February, 2010	100.00	104.47	BPLR – 1.50%	On Demand	Secured against hypothecation of stocks, receivables and also guaranteed personally by the directors of the Company
2.	Axis Bank Limited Car Loan	28 th April, 2009	25.00	13.16	10.75% on Diminishing balance method	60 Months	Secured against the Vehicle

ANNEXURE – 6

SCHEDULE OF UNSECURED LOANS

(Rs. In Lakhs)

Particulars	For the financial year ended				For the nine months ended 31-12-2010
	31-03-2007	31-03-2008	31-03-2009	31-03-2010	
Bennett Coleman & Co. Ltd.	-	-	2,000.00*	2000.00**	-
Promoters & Directors	80.68	-	-	-	-
Dealer deposits	-	27.19	19.79	9.80	6.04
Kabirdass Aluminium Ltd.(SRK Casters Pvt Ltd)	-	-	-	202.68	120.65
BKM Metals	-	-	28.00	-	-

Regent Finance Corporation Pvt. Limited	-	-	-	-	300.00
Total	80.68	27.19	2,047.79	2212.48	426.69

**This represents the amount received form M/s. Bennett Coleman & Co. Ltd. towards 0% convertible debenture. For these bonds no security has been offered.*

***Out of the above a sum of Rs.749 lakhs has been redeemed and the balance has been converted in to 39,09,375 equity shares of Rs.10/- each at a premium of Rs.22 per share on 31st May 2010 by the Company.*

The Terms and conditions of Outstanding Unsecured Loans as on 31.12.2010 are as follows:

Particulars	Amount (Rs. In Lakhs)	Repayment Schedule and Rate of Interest	Purpose
Dealer Deposits	6.04	The dealer deposit is repayable on termination of the dealership agreements. The Company has appointed dealers and collected the dealer deposits. Rate of Interest : Interest free	This is a refundable deposit received from the Distributors. This amount received as a security amount for the supplies effected by the Company.
Kabirdass Aluminium Limited (SRK Casters Pvt Ltd)	120.65	Loan Received. Rate of Interest: Nil	The amount is a refundable interest free deposit given by the group company to meet the requirements of the Company.
Regent Finance Corporation Pvt. Limited	300.00	Loan Received Rate of Interest 18%	This is a loan obtained for the purpose of meeting the expenses of Initial Public offer. Repayable on completion of the Initial Public Offer
Total	426.69		

The Terms and conditions of outstanding Unsecured Loans as on 31.03.2010 are as follows:

Particulars	Amount (Rs. In Lakhs)	Repayment Schedule and Rate of Interest	Purpose
Corporate Bodies	2000.00	The amount of Rs.2000.00 Lakhs is towards subscription of 0% One Fully Convertible Debenture received from Bennett Coleman & Co Ltd, <i>Out of the above a sum of Rs.749Llaks has been redeemed and the balance has been converted in to 39,09,375 equity shares of Rs.10/- each at a premium of Rs.22 per share</i> Rate of Interest : Interest free	The amount is the subscription amount towards the convertible debentures.
Dealer Deposits	9.80	The dealer deposit is repayable on termination of the dealership agreements. The Company has appointed dealers and collected the dealer deposits. Rate of Interest : Interest free	This is a refundable deposit received from the Distributors. This amount received as a security amount for the supplies effected by the Company.

Kabirdass Aluminium Limited (SRK Casters Pvt Ltd)	202.68	Loan Received. Rate of Interest: Nil	The amount is a refundable interest free deposit given by the group company to meet the requirements of the Company.
Total	2212.48		

The Terms and conditions of outstanding Unsecured Loans as at 31.03.2009 are as follows:

Particulars	Amount (Rs. In Lakhs)	Repayment Schedule and Rate of Interest	Purpose
Corporate Bodies	2000.00	The amount of Rs.2000.00 Lakhs is towards subscription of 0% One Fully Convertible Debenture received from Bennett Coleman & Co Ltd, Which shall be converted into equity and hence the same is not to be repaid Rate of Interest : Interest free	The amount is the subscription amount towards the convertible debentures.
Dealer Deposits	19.79	The dealer deposit is repayable on termination of the dealership agreements. The Company has appointed dealers and collected the dealer deposits. Rate of Interest : Interest free	This is a refundable deposit received from the Distributors. This amount received as a security amount for the supplies effected by the Company.
BKM Metals	28.00	An amount of Rs.28 Lakhs is taken as a trade deposit. Rate of Interest : Interest free	This is a trade deposit received by the Company.
Total	2047.79		

The Terms and conditions of outstanding Unsecured Loans as at 31.03.2008 are as follows:

Particulars	Amount (Rs. In Lakhs)	Repayment Schedule and Rate of Interest	Purpose
Dealer Deposits	27.19	The dealer deposit is repayable on termination of the dealership agreements. The Company has appointed dealers and collected the dealer deposits. Rate of Interest : Interest free	This is a refundable deposit received from the Distributors. This amount received as a security amount for the supplies effected by the Company.

The Terms and conditions of outstanding Unsecured Loans as at 31.03.2007 are as follows:

Particulars	Amount (Rs. In Lakhs)	Repayment Schedule and rate of interest	Rate of Interest
Promoters and Directors	80.68	The loan taken from the promoters and directors are repayable on demand.	Interest Free

ANNEXURE – 7

SCHEDULE OF SUNDRY DEBTORS

(Rs. In Lakhs)

Particulars	For the financial year ended				
	31-03-2007	31-03-2008	31-03-2009	31-03-2010	31-12-2010
Debts outstanding for a period exceeding six months (Unsecured, considered goods)	-	-	-	175.21	236.64
Sub-total	-	-	-	175.21	236.64
Other Debts (Unsecured, considered goods)	-	22.49	75.37	11.96	82.60
Sub-total	-	22.49	75.37	11.96	82.60
Grand Total	-	22.49	75.37	187.17	319.24

ANNEXURE – 8

SCHEDULE OF LOANS & ADVANCES

(Rs. In Lakhs)

Particulars	For the financial year ended					Purpose (A- refers to purpose B- refers to Related Party or Others)
	31-03-2007	31-03-2008	31-03-2009	31-03-2010	31-12-2010	
Neolite industries	2.50	-	2.35	2.35	2.35	A. Purchase advance B. Given to Others
Staff Advance	-	-	0.83	2.38	1.36	A. Salary advance to employees B. Given to Others
Lease deposit	200.00	400.00	400.00	400.00	400.00	A. Lease advance paid for factory premises B. Given to Related Party
Rent Advance	0.63	19.31	16.00	16.00	16.00	A. Rent advance for marketing office B. Given to Others
Sales Tax Deposit	-	-	-	4.69	9.65	A. Deposit paid to Commercial taxes department for filing the appeal for the assessment year 2008-09 B. Given to Others
Duties & Taxes	7.66	26.05	0.04	16.16	11.71	A. Deposits with Commercial taxes and Excise Department B. Given to Others
Advance paid for advertisement	-	-	1965.91	1912.95	1050.20	A. Brand promotion amount paid to M/s Bennett, Coleman & Company Limited during the year 2008-09. B. Given to Others
Advance - others	0	30.86	0	54.29	12.33	A. General business related advances B. Given to Others
R.S.Graphics					25.00	A. General business related advances- Printing advance B. Given to Others

China-Base Taizhou Foreign Trade Co Ltd		1.46				A. Purchase advance B. Given to Others
Green Saver Technology Corporation		7.43				A. Purchase advance B. Given to Others
Ruian Runtong Motor Vehicle Parts Co Ltd		0.49				A. Purchase advance B. Given to Others
Taizhou Huangyan Wuxing Motor cycles Co Ltd		0.37				A. Purchase advance B. Given to Others
Wenling Shi Jiuzhou Electromechanical Co Ltd		1.63				A. Purchase advance B. Given to Others
Zhejiang China		0.09				A. Purchase advance B. Given to Others
Zhejiang Galaxy Import and Export		0.44				A. Purchase advance B. Given to Others
Zhejiang Huangyan Huari Group Co Ltd		0.05				A. Purchase advance B. Given to Others
Zhejiang Taifa Machinery & Electronics Industrial co Ltd		0.76				A. Purchase advance B. Given to Others
Jinhua Best Vehicle co	11.99	-				A. Purchase advance B. Given to Others
Acer Engineer Pvt Ltd	1.45					A. Purchase advance B. Given to Others
Instrument Research Associates	0.23					A. Purchase advance B. Given to Others
RBC Engineering	0.04					A. Purchase advance B. Given to Others
Total	224.50	488.95	2385.13	2408.82	1528.60	

ANNEXURE – 9

SCHEDULE OF ADMINISTRATIVE & OTHER EXPENSES

(Rs in Lakhs)

Particulars	For the Financial Year Ended			For the nine months ended 31.12.2010
	31.03.2008	31.03.2009	31.03.2010	
Business Promotion Charges	1.68	1.02	-	-
Advertisement Charges	0.37	8.53	-	0.16
Audit fee	0.30	1.00	1.00	0.75
Bank charges & Interest	0.99	2.56	1.72	5.06
Consultancy Charges	-	1.19	-	-

Professional Charges	6.87	-	-	
Printing & Stationery	1.63	1.04	-	-
Rent	3.43	2.83	7.80	-
Staff Salary Expenses	20.57	16.05	48.54	21.49
Staff Welfare Expenses	0.21	1.35	-	-
Telephone Expenses	1.59	2.39	-	-
Travelling & Conveyances	8.20	6.02	2.84	1.37
Clearing & Forwarding Charges	3.70	10.41	-	-
Discount	17.28	7.86	-	-
Electrical charges	-	3.06	0.64	0.24
ESI Expenses	-	0.40	0.35	0.25
K1500 Product development	-	38.77	-	-
Insurance	0.37	0.78	0.97	0.64
Office Expenses	0.26	1.16	-	-
EPF Expenses	-	1.96	2.14	1.58
Postage , Courier	0.97	4.23	-	-
Rates & Taxes	4.51	1.23	0.40	0.43
Repairs & Maintenance	0.29	0.50	0.80	0.25
Sales Incentive	-	2.31	-	-
Reduction in the value of Investment	-	-	0.02	-
ROC Fee	-	-	5.32	0.11
Vehicle Maintenance	0.19	0.05	-	-
Transport Charges	9.49	7.90	-	-
General Expenses	1.13	-	-	-
Miscellaneous Expenses	-	-	8.38	5.05
Total	84.03	124.60	80.92	37.38

ANNEXURE – 10

SCHEDULE OF RATIOS

Sr. No.	Particulars	For the financial year ended				For the nine months ended 31-12-2010
		31-03-2007	31-03-2008	31-03-2009	31-03-2010	
1	Adjusted Profit/ Loss attributable to equity shareholders (Rs. In Lakhs)	-	(6.03)	9.74	(68.11)	73.63
2	Annualized EPS (Rs.)	0.00	(0.14)	0.11	(0.68)	0.56
3	Diluted EPS (Rs.)	0.00	(0.14)	0.07	(0.49)	0.56
4	Net asset value per share	8.94	9.11	7.74	5.74	12.35
5	Return on Net worth (%)	-	(0.73)	1.26	(11.87)	4.29

6	No. of equity shares	42,53,300	91,00,000	1,00,00,000	1,00,00,000	1,39,09,375
7	Weighted No. of equity shares	43,677	42,93,027	91,04,932	1,00,00,000	1,30,56,420
8	Net worth excluding revaluation reserve (Rs. In Lakhs)	380.10	828.66	773.59	573.61	1,718.23

Formulae used for Computation of ratios:

- Basic earnings per share = Net Profit after tax/ Total Number of shares
- Diluted earnings per share = Adjusted Net Profit/(loss) for the period attributable to equity shareholders/weighted average no. of (Equity Shares + Dilutive Potential equity shares)
- Net Asset Value per share = Total Net worth/Total Number of Shares
- Return on Net Worth = Profit after Tax/Net worth *100

ANNEXURE – 11

CAPITALISATION STATEMENT

(Rs. In Lakhs)

Particulars	Pre Issue as at 31.12.2010	Post Issue*
Debts		
Long Term Debts	13.16	*
Short Term Debts	525.03	*
Total Debts A	538.19	*
Shareholders' fund		
Share capital	1,390.94	*
Reserves & surplus	869.31	*
Total shareholders' fund B	2,260.25	*
Ratios		
Long Term Debt – Equity Ratio	0.006:1	*
Total Debts – Equity Ratio	0.24:1	*

* Information pertaining to post issue can be ascertained only after finalization of issue price

ANNEXURE – 12

MISCELLANEOUS EXPENDITURE (To the extent not written off)

The break-up of miscellaneous expenditure (To the extent not written off) are as follows:

(Rs. In Lakhs)

Particulars	31-Mar-07	31-Mar-08	31-Mar-09	31-Mar-10	31-12-10
Pre-Operative Expenses	45.23	40.7	17.47	15.53	36.73
Deferred Advertisement	-	-	34.12	68.15	70.89
Research And Development	-	34.61	135.22	125.54	135.29
IPO Expenses	-	-	43.31	152.77	299.10
Total	45.23	75.31	230.12	361.99	542.01

ANNEXURE – 13

SCHEDULE OF TAX SHELTER

(Rs. in Lakhs)

Particulars	For the financial year ended				For the nine months ended 31-12-2010
	31-03-2007	31-03-2008	31-03-2009	31-03-2010	
Profit as per books of accounts before tax	-	6.48	29.4	-23.8	7.47
Tax rate %	-	33.66	33.66	30.9	30.9
Tax at notional rate	-	2.18	9.9	-7.35	2.39
Adjustments					
Difference between tax dep. & book dep.	-	3.03	2.4	14.09	157.91
Other adjustments	-	-	-	-37.15	0
Net adjustments	-	3.03	2.4	-23.06	157.91
Tax savings – (Loss) on this difference	-	1.02	0.81	-7.13	48.79
Total taxation	-	1.16	9.09	0	0
Taxation on extraordinary items	-	-	-	0	0
Tax on profit after extraordinary items	-	1.16	9.09	0	0

FINANCIAL INDEBTEDNESS

Our Company is enjoying various credit facilities as sanctioned by Banks and Financial Institutions for conducting our business operations.

Details of Secured Borrowings of our Company

- Set forth below is a brief summary of our Company's Cash Credit facility from Axis Bank Limited, SME Centre, Chennai vide sanction letter no AXISB/SME/CHN/243A/2010-11 dated March 25, 2011 with a brief description of certain significant terms of such financing arrangements:

S. No.	Particulars	Terms and Condition
i	Fund Based Facility	Fund Based Cash Credit Limit
ii	Limit/Amount	Rs.100.00 Lakhs
iii	Purpose	To meet the working capital requirements.
iv	Rate of Interest	Base Rate + 5.75 % = 14.50 % p.a. at present with monthly rests.
v	Repayment	On Demand
vi	Processing fee/upfront fee	Rs. 50,000/- + Applicable Service Tax (All charges inclusive)
vii	Margin	25 % on Inventories and Book Debts (cover period 90 days).
viii	Primary Security	Hypothecation of the Current Assets of the Company (Present and Future).
ix	Collateral Security	<ul style="list-style-type: none"> ➤ Hypothecation of the fixed assets of the Company (WDV of Rs. 236.18 Lakhs as on 31.03.2010) ➤ Corporate Guarantee of M/s. Best Cast IT Limited.
x	Guarantee	Personal Guarantee of the followings:- <ul style="list-style-type: none"> ➤ Murali Kabirdass. ➤ Manohar Kabirdass.
xi	Amount of Loan Outstanding as on December 31, 2010	Rs.104.47 Lakhs

Other Key Terms and Conditions

S. No.	Particulars	Terms and Condition
i	Validity of Sanction	The Sanction will be valid for acceptance up to 30 days from the date of sanction, during which time, the terms of the facility would have to be accepted by the borrower.
ii	Stock Statement	The stock and book debt statement as on the last day of the month is to be submitted by 15 th of next month. The value of unpaid stocks (e.g. under LCs/ purchased on credit) or slow moving stocks will not be considered for computation of drawing power.
iii	Inspection	Inspection of assets charged to the Bank will be carried out at quarterly intervals as decided by the bank by its own officials or through persons/ firm appointed by the Bank. The cost of inspection is to be borne by the borrower.
iv	Basis of Valuation Raw Materials Stores & Spares Stock in Process Finished Goods Book-Debts	At Cost Price or Market Price, whichever is lower. At Cost Price or Market Price, whichever is lower. At Cost of Production. At Cost of Sales or Controlled Price or Market Price, whichever is lower. At invoice Value.
v	Penal Interest	<ul style="list-style-type: none"> ➤ Delay/non submission of stock statements/FFR will

		<p>attract penal interest @ 2% p.a. from the date of default on the outstanding amount.</p> <p>➤ Any overdrawing in the account will attract penal interest @ 2% p.a. on the overdue amount. In case of running accounts like Cash Credit, if the overdrawing is on more than three occasions in a calendar month then the penal rate of 2% per annum will be charged on the entire outstanding in the account.</p>
vi	Financial Follow-up Reports (FFR)	<p>FFR to be submitted as under</p> <p>FFR I: Within 4 weeks from the close of each quarter to which it relates.</p> <p>FFR II: Within 8 weeks from the close of the half year to which it relates.</p>

2. Set forth below is a brief summary of vehicle loan of Rs. 25.00 Lakhs granted by Axis Bank Limited, Retail Assets Centre, Nathella Arcade, 3rd Floor, No. 37, South Usman Road, T. Nagar, Chennai – 600 017 vide sanction letter no. 3347 dated April 28, 2009.

S. No.	Particulars	Terms and Condition
i	Fund Based Facility	Loan of Rs. 25.00 Lakhs
ii	Purpose	Auto Loan
iii	Rate of Interest	10.75 % p.a.
iv	EMI	Rs. 54,045
v	EMI Start Date	01.06.2009
vi	EMI Ending Date	01.05.2014
vii	Primary Security	NA
viii	Collateral Security	NA
ix	Tenure	60 Months
x	Co-Borrower	Murali Kabirdass No. 243, Kilpauk, Garden Main Road, Chennai – 600 010.
xi	Amount of Loan Outstanding as on December 31, 2010	Rs.13.16 Lakhs

Details of Unsecured Borrowings of Our Company

1. Set forth below is a brief summary of unsecured bridge loan of Rs.300.00 Lakhs granted by M/s. Regent Finance Corporation Private Limited, 60A, Chowringhee Road, Kolkata – 700 020 vide letter no. Nil dated July 7, 2010.

S. No.	Particulars	Terms and Condition
i	Fund Based Facility	Loan of Rs.300.00 Lakhs
ii	Purpose	Bridge Loan for meeting the expenses of Initial Public offer (IPO)
iii	Rate of Interest	18.00 % p.a.
iv	Repayment	After completion of the Initial Public Offer (IPO)
v	Amount of Loan Outstanding as on December 31, 2010	Rs.300.00 Lakhs

2. Set forth below is a brief summary of unsecured loan of Rs. 247.24 Lakhs granted by group company M/s. Kabirdass Aluminium Limited (Formerly known as SRK Casters Private Limited), F-17, Ambattur Industrial Estate, Ambattur, Chennai 600 058, vide letter no. SRK/KMCL/2009-10 dated June 24, 2009.

S. No.	Particulars	Terms and Condition
i	Fund Based Facility	Loan of Rs. 247.24 Lakhs
ii	Purpose	Meeting the requirement of the Company
iii	Rate of Interest	Interest free
iv	Repayment	Repayable on demand.
x	Amount of Loan Outstanding as on December 31, 2010	Rs.120.65 Lakhs

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

You should read the following discussion and analysis of our Company's financial condition and results of operations together with our restated financial statements included in this Draft Red Herring Prospectus. You should also read "Risk Factors" on page 12 of this Draft Red Herring Prospectus, which discusses a number of factors and contingencies that could impact our financial condition, results of operations and cash flows.

The following discussion relates to our Company and is based on our Company's restated financial statements, which have been prepared in terms of the requirements of Paragraph B (1) of Part II of Schedule II of the Companies Act, 1956 and SEBI Regulations. The following discussion is also based on internally prepared statistical information and on publicly available information. Our Company's financial year ends on March 31, so all references to a particular financial year of our Company are to the 12-month period ended March 31.

Unless indicated otherwise, the following discussion of our financial condition and results of operations is based on the financial statements of our Company for the nine months ended December 31, 2010 and for the financial years 2009 - 2010 and 2008 - 2009, prepared in accordance with the Provisions of Companies Act and Indian GAAP and is stated in accordance with the SEBI Regulations, including annexure, schedules, and notes thereto and the report thereon. Following is the management discussion of our Company's financial statements for the nine months ended December 31, 2010 and for the financial years 2009 - 2010, 2008 - 2009 and 2007 - 2008 prepared in accordance with the Provisions of Companies Act and Indian GAAP and stated in accordance with the SEBI Regulations, including annexure, schedules and notes thereto and the report thereon.

Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information, is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and SEBI Regulations.

This discussion contains forward looking statements and reflects our current views with respect to future events and financial performance. In this section, unless the context otherwise requires, a reference to "our Company" is a reference to Kabirdass Motor Company Limited, and a reference to "we", "us" and "our" refers to Kabirdass Motor Company Limited.

Business Overview

Kabirdass Motor Company Limited was formed in 2006 to develop and commercialize zero emission vehicles ("ZEV") in the name of 'XITE'. Kabirdass Motor Company Limited is a group company of Best Cast IT Limited. The turnover of Best Cast IT Limited for the year ended March 31, 2010 is Rs. 45.87 crores with a Profit of Rs. 0.15 crores.

The registered office of our Company is at No.16, Poonamallee High Road, Velappanchavadi, Chennai – 600 077. The manufacturing unit of the Company is situated at its registered office and has a production capacity of 135 vehicles a day. Our Company has been classified as a small manufacturing enterprise by the District Industries Centre, Tiruvallur on 06.02.2007.

We manufacture 4 models of electric bikes and scooters none of which require license to ride under the Motor Vehicles Act, 1988 and related rules as their maximum speed is less than 25 km per hour. The scooters manufactured by the Company are battery operated scooters and provide clean, efficient, reliable, and affordable city transportation. We have obtained certification to manufacture electric bikes from the Automotive Research Association of India. Our Company has a R&D Team to improvise the product based on customer feedback. The R&D is also involved in new product design in line with the Indian market requirements.

The first electric bike manufactured by our Company was launched under the brand name "Xite" in February, 2007. The first series of electric bikes and scooters manufactured by the Company are an advanced zero-emission, battery-powered scooterettes which offer power ranging from 250 Watt to 1500 Watt.

Our company has appointed distributors & dealers in the states of Tamil Nadu, Kerala, Andhra Pradesh, Karnataka, Orissa and West Bengal and in the union territory of Pondicherry and sold over 3,379 bikes and scooters as on March 31, 2011.

For the financial year ended March 31, 2009 and 2010, we had total income of Rs. 500.06 Lakhs and Rs. 133.30 Lakhs respectively and a net profit, as restated, of Rs. 9.74 Lakhs and Rs. (68.11) Lakhs respectively. For the nine months ended December 31, 2010, we have achieved a total income of Rs. 135.28 Lakhs and net profit, as restated, of Rs. 73.63 Lakhs.

Our Company has embarked upon an expansion plan to expand its existing facilities and for setting up of new manufacturing unit for manufacturing of spare parts of electric scooters. For further information, please see —Objects of the Issue on page 55 of this Draft Red Herring Prospectus.

Significant Developments Subsequent to the Last Financial Year

The Board is of the opinion that there have not arisen any circumstances since the date of the last financial statements as disclosed in the prospectus which materially and adversely affect or is likely to affect the sales or profitability of the Company, or the value of its assets, or its ability to pay liabilities within next twelve months.

Factors that may affect Results of Operations

Except as otherwise stated in this Draft Red Herring Prospectus, the Risk Factors given in this Draft Red Herring Prospectus and the following important factors could cause actual results to differ materially from the expectations include, among others:

- General economic and business conditions;
- Company's ability to successfully implement its strategy and its growth and expansion plans;
- Increased competition in the Industry;
- Increase in professional employees costs, software license, insurance premium, etc;
- Amount that our Company is able to realize from the clients;
- Changes in laws and regulations that apply to the industry;
- Changes in fiscal, economic or political conditions in India and other countries where we operate;
- Social or civil unrest or hostilities with neighbouring countries or acts of international terrorism;
- Any change in Foreign Currency may adversely affect the revenue of our Company.

Summary Statement of Profit And Loss, As Restated

(Rs. In Lakhs)					
Particulars	For the period ended				
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	December 31, 2010
Income					
Gross Sales	-	251.67	275.81	320.79	163.23
Less :- Excise Duty	-	2.21	15.33	0.29	5.07
Net Sales	-	249.46	260.48	320.50	158.16
Increase / (Decrease) in Stock	-	158.05	162.42	(187.20)	(22.88)
Other Income	-	-	77.16	-	-
Total Income	-	407.51	500.06	133.30	135.28
Expenditure					
Raw Material Purchase	-	232.89	229.97	5.74	64.50
Manufacturing Expenses	-	65.80	89.80	9.24	9.55
Administrative & Other Expenses	-	84.03	124.60	80.92	37.38
Pre-operative & Deferred Revenue Expenses written off	-	13.17	16.97	36.73	-
Total	-	395.89	461.34	132.63	111.43
Profit/ (Loss) before Interest, Depreciation & Tax	-	11.62	38.72	0.67	23.85
Depreciation	-	11.05	11.35	14.89	11.68
Finance Charges	-	3.59	7.47	9.58	4.70
Profit/ (Loss) before Tax	-	(3.02)	19.90	(23.80)	7.47
Provision for Taxation					
- Current Tax	-	1.07	7.89	-	-
- Fringe Benefit Tax	-	1.01	1.30	-	-
- Deferred Tax Liability /(Deferred Tax Assets)	-	0.93	0.97	44.31	(66.16)
Profit/ (Loss) after Tax	-	(6.03)	9.74	(68.11)	73.63
Profit Available for Appropriation	-	(6.03)	9.74	(68.11)	73.63
Balance B/f from last year	-	-	(6.03)	3.71	(64.40)
Profit/ (Loss) transferred to B/S	-	(6.03)	3.71	(64.40)	9.23

Note: In the financial year 2009 -10 Raw Material Purchase is reduced by Excise Duty Reversal - Credit taken of Rs. 16.24 Lakhs.

An Analysis of Reasons for the Changes in Significant Items of Income and Expenditure

1. Unusual or infrequent events or transactions

There have been no events, other than as described in this Draft Red Herring Prospectus, which may be called “unusual” or “infrequent”.

2. Significant economic changes likely to affect operations in future

Government's policy on Automobile Industry will have major bearing on companies involved in this sector. Any major changes in policies of government would have a significant impact on the profitability of our Company. Except the above, there are no significant economic changes that may materially affect or are likely to affect income from continuing operations. ***The Government of India has announced the scheme of central financial assistance which may improve the usage of the electric vehicles by the consumers. The price rise of petrol will have a positive impact on the growth of this industry.***

3. Known trends or Uncertainties likely to affect operations in future

Apart from the risks disclosed in this Draft Red Herring Prospectus, there are no other trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

4. Future changes in relationship between costs and revenues

Review of trends in the two wheeler vehicle industry over the past few years and current developments within the user industry shows positive improvements in terms of quantum, jump in demand from existing user industry and also from new users such as students, housewives, aged persons etc. The unorganized sector is also expected to fall in line due to rationalization of duties and taxes. The expected increase in transportation costs due to future increase in petroleum products would have adverse impact on the input cost. Hence, taking all these factors in consideration the Company does not foresee any factors that would adversely affect cost as a percentage of revenue.

5. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

The increase in turnover is a mix of increase in sales volume and increase in sales prices. The introduction of the new models with higher variants will improve the performance of the Company.

6. Total turnover of each major industry segment in which the Company operated

The Company is operating only in one segment namely "Electric Bikes and Scooters".

7. Status of any publicly announced new product

The Company has not publicly announced any new products. However the Company may deal in any new product, depending on the demand in future.

8. The extent to which the business is Seasonal

No major cyclical trends are observed in this industry or are there any government controls or regulatory framework impinging on the industry.

9. Dependence on single or few suppliers / customers

The Company sources the raw material from a number of suppliers and is not under threat from any excessive dependence on any single or few suppliers. Similarly, the Company has global and nationwide customers for its products and hence there is no dependence on any single customer.

10. Competitive conditions

Our Company's products face competition from other manufacturers such as Electrotherm India Limited, TVS Motor Company and Hero Electric who are the players in the organised sectors and also from cheap imports from other countries. We plan to manage the competition by offering better quality products and providing continued after sales service.

Discussion of Results of Operations

Nine Months Period Ended 31.12.2010 vs. Financial Year 2009 - 2010

S. No.	Particulars	(Rs. In Lakhs)	
		For the period ended	
		31-12-2010	31-03-2010
1	Income		
	Gross Sales	163.23	320.79
	Less :- Excise Duty	5.07	0.29
	Net Sales	158.16	320.50
	Increase / (Decrease) in Stock	(22.88)	(187.20)
	Other Income	-	-
	Total Income	135.28	133.30
2	Expenditure		
	Raw Material Purchase	64.50	5.74
	Manufacturing Expenses	9.55	9.24
	Administrative & Other Expenses	37.38	80.92
	Pre-operative & Deferred Revenue Expenses written off	-	36.73
	Total	111.43	132.63
3	Net Profit/ (Loss) before Interest, Depreciation & Tax	23.85	0.67
4	Depreciation	11.68	14.89
	Finance Charges	4.70	9.58
	Net Profit/ (Loss) before Tax	7.47	(23.80)
5	Provision for Taxation		
	- Current Tax	-	-
	- Fringe Benefit Tax	-	-
	- Deferred Tax Liability /(Deferred Tax Assets)	(66.16)	44.31
	Net Profit/ (Loss) after Tax	73.63	(68.11)
6	Profit available for appropriation	73.63	(68.11)
7	Balance B/f from last year	(64.40)	3.71
	Profit/ (Loss) transferred to B/S	9.23	(64.40)

1. Sales

There has been a reduction in the net sales for the 9 months of the financial year 2010 - 2011 (upto 31st December 2010) to Rs. 158.16 lakhs from Rs. 320.50 lakhs in financial year 2009 - 2010, which shows a proportionate decrease of around 34%. This is due to the general reduced off take of the products. The company also sold 391 vehicles during the year comparing to 1047 vehicles in the previous year. The company concentrated more on the model of K103LA which was preferred by its customers.

2. Expenses

a. Administrative Expenses

The administrative expenses of the Company have reduced to Rs. 37.38 Lakhs in the financial year 2010-11 (for 9 months) from Rs. 80.92 Lakhs in the financial year 2010. There was no non recurring expense during the financial year 2010-11 (for 9 months) and 2009-10, there is no major variation in the expenses incurred.

b. Depreciation

The depreciation on the fixed assets has increased from Rs. 14.89 Lakhs in the financial year 2009 - 2010 to Rs. 11.68 Lakhs (on a proportionate basis) in the financial year 2010-11 (for 9 months). The company purchased computer and accessories for Rs. 2.97 Lakhs.

c. Finance Charges

Finance Charges has decreased on a proportionate basis from Rs. 9.58 Lakhs in the financial year 2009 - 2010 to Rs. 4.70 Lakhs in the financial year 2010-11 (for 9 months). The reduction on proportionate basis is mainly due to effective utilization of working capital limits for the sanctioned limit of Rs. 100 Lakhs during the financial year 2009-10 and the financing for IPO obtained for Rs. 300 Lakhs.

3. Net Profit after Tax

There is an operational net profit of Rs. 7.47 Lakhs for the financial year 2010-11 (for 9 months) mainly due to effective price realization for the period ending 31st December 2010.

4. Charging of pre-operative expenses and interest on the loans obtained for IPO

During the period ending 31st December 2010 the company has not considered the charging off of IPO related expenses and cost for IPO funds in the profit and loss account. The above amounts will be charged on completion of the Initial Public Offer by the Company.

Financial Year 2009 – 2010 vs. Financial Year 2008 - 2009

S. No.	Particulars	(Rs. In Lakhs)	
		For the Year ended	
		31-03-2010	31-03-2009
1	Income		
	Gross Sales	320.79	275.81
	Less :- Excise Duty	0.29	15.33
	Net Sales	320.50	260.48
	Increase / (Decrease) in Stock	(187.20)	162.42
	Other Income	-	77.16
	Total Income	133.30	500.06
2	Expenditure		
	Raw Material Purchase	5.74	229.97
	Manufacturing Expenses	9.24	89.80
	Administrative & Other Expenses	80.92	124.60
	Pre-operative & Deferred Revenue Expenses written off	36.73	16.97
	Total	132.63	461.34
3	Net Profit/ (Loss) before Interest, Depreciation & Tax	0.67	38.72
4	Depreciation	14.89	11.35
	Finance Charges	9.58	7.47
	Net Profit/ (Loss) before Tax	(23.80)	19.90
5	Provision for Taxation		
	- Current Tax	-	7.89
	- Fringe Benefit Tax	-	1.30
	- Deferred Tax Liability /(Deferred Tax Assets)	44.31	0.97
	Net Profit/ (Loss) after Tax	(68.11)	9.74
6	Profit available for appropriation	(68.11)	9.74
7	Balance B/f from last year	3.71	(6.03)
	Profit/ (Loss) transferred to B/S	(64.40)	3.71

1. Sales

There has been an increase in the net sales for the financial year 2009 - 2010 to Rs. 320.50 Lakhs from Rs. 260.48 Lakhs in financial year 2008 - 2009, which shows an increase of around 23.04%. This is due to the improved marketing in Andhra Pradesh and Tamilnadu. The Company also sold 1047 vehicles during the financial year 2009-10 comparing to 929 vehicles in the previous financial year 2008-09. The Company concentrated more on the model of K103LA which was preferred by its customers.

2. Expenses

a. Administrative Expenses

The administrative expenses of the Company have reduced to Rs. 80.92 Lakhs in the financial year 2009 - 2010 from Rs. 124.60 Lakhs in the financial year 2008 - 2009. The Company charged the K1500 product development expenses to the extent of Rs. 38.76 Lakhs and incurred an expenditure on advertising for Rs. 8.53 Lakhs during the financial year 2008 - 2009. These expenses are of non recurring nature when there is any sale of the models developed by the Company. Other than the non

recurring expenses between the financial years 2008 - 2009 and 2009 - 2010 there is no major variation in the expenses incurred.

b. Depreciation

The depreciation on the fixed assets has increased from Rs. 11.35 Lakhs in the financial year 2008 - 2009 to Rs.14.89 Lakhs in the financial year 2009 - 2010 due to additions in the fixed assets to the tune of Rs. 40.74 Lakhs. The Company has purchased vehicles for Rs. 35.22 Lakhs and computer and accessories for Rs. 4.22 Lakhs.

c. Finance Charges

Finance Charges has increased from Rs. 7.47 Lakhs in the financial year 2008 - 2009 to Rs. 9.58 Lakhs in the financial year 2009 - 2010. The increase is mainly due to utilization of working capital limits for the sanctioned limit of Rs. 100 Lakhs during the financial year 2009 - 2010 and charging of the interest on vehicle loan in the finance charges.

3. Net Profit after Tax

There has been a loss of Rs. 68.11 Lakhs for the financial year 2009 - 2010 mainly due to general increase in material cost and the provision for deferred tax to the extent of Rs.44.31 Lakhs for the financial years 2007 - 2008 and 2008 - 2009.

Financial Year 2008 - 2009 vs. Financial Year 2007 - 2008

S. No.	Particulars	For the period ended	
		31-03-2009	31-03-2008
1	Income		
	Gross Sales	275.81	251.67
	Less :- Excise Duty	15.33	2.21
	Net Sales	260.48	249.46
	Increase / (Decrease) in Stock	162.42	158.05
	Other Income	77.16	-
	Total Income	500.06	407.51
2	Expenditure		
	Raw Material Purchase	229.97	232.89
	Manufacturing Expenses	89.80	65.80
	Administrative & Other Expenses	124.60	84.03
	Pre-operative & Deferred Revenue Expenses written off	16.97	13.17
	Total	461.34	395.89
3	Net Profit/ (Loss) before Interest, Depreciation & Tax	38.72	11.62
4	Depreciation	11.35	11.05
	Finance Charges	7.47	3.59
	Net Profit/ (Loss) before Tax	19.90	(3.02)
5	Provision for Taxation		
	- Current Tax	7.89	1.07
	- Fringe Benefit Tax	1.30	1.01
	- Deferred Tax Liability /(Deferred Tax Assets)	0.97	0.93
	Net Profit/ (Loss) after Tax	9.74	(6.03)
6	Profit available for appropriation	9.74	(6.03)
7	Balance B/f from last year	(6.03)	-
	Profit/ (Loss) transferred to B/S	3.71	(6.03)

1. Sales

There has been a marginal increase in the sales for the financial year 2008 - 2009 to Rs. 260.48 Lakhs from Rs. 249.46 Lakhs in financial year 2007 - 2008, which shows an increase of 4.42%. The increase in sales is due to general market trends. During the financial year 2008 - 2009, the company has entered into an agreement with M/s. Hero Ecotech Ltd. for transfer of rights of the KMC product K1500SI along with all the license and approvals for the product. The amount under the head "other income" represents the consideration received towards this agreement.

2. Expenses

a. Administrative Expenses

The administrative expenses of the Company have increased to Rs. 124.60 Lakhs in the financial year 2008 - 2009 from Rs. 84.03 Lakhs in the financial year 2007 - 2008. This was mainly due to the product development expenses of Rs. 38.77 Lakhs and increase in advertising expenses.

b. Depreciation

The depreciation on the fixed assets has marginally increased from Rs. 11.05 Lakhs in the financial year 2007 - 2008 to Rs. 11.35 Lakhs in the financial year 2008 - 2009 due to additions to the tune of Rs. 1.73 Lakhs in the fixed assets. The above increase accounted for increase in depreciation.

c. Finance Charges

Finance Charges has increased from Rs. 3.59 Lakhs in the financial year 2007 - 2008 to Rs. 7.47 Lakhs in the financial year 2008 - 2009. The company availed the Axis Bank Limited in the middle of the financial year 2007 - 2008 for Rs. 50 Lakhs. The interest is charged only for the part period of utilization. The increase is mainly due additional working capital finance availed from Axis bank Limited from the limit of Rs. 50 Lakhs to Rs. 100 Lakhs in the financial year 2008 - 2009.

3. Net Profit after Tax

The Net Profit for the financial year 2008 - 2009 is Rs. 9.74 Lakhs as compared to a loss of Rs. 6.03 Lakhs for the financial year 2007 - 2008. This profit can be attributed to the other income of Rs. 77.16 Lakhs earned on the sale to M/s Hero Ecotech Ltd during the financial year 2008 - 2009.

Financial Year 2007 - 2008 vs. Financial Year 2006 - 2007

Kabirdass Motor Company Limited was incorporated in November, 2006 and commenced operations in financial year 2007 - 2008 hence the figures for the period ended 31/03/2007 are not comparable with the figures for the financial year 2007 - 2008.

Negative Cash Flows

For the financial years ending on March 31, 2007, 2008 and 2009, the Company had a negative cash flow from operations to the tune of Rs. 223.29 Lakhs, Rs. 444.00 Lakhs and Rs. 2,058.30 Lakhs respectively. This was due to the fact that the Company started the operations in 2007- 2008 which accounted for increase in current assets, apportioning /charging off a portion of preliminary expenses, interest on cash credit facilities charged to expenses and Increase in fixed assets on installation of plant and machinery. The Company has also seen negative cash flow from financing activities also for the 9 months period ended December 31, 2011 to the tune of Rs. 535.29 Lakhs which is primarily due to repayment of unsecured loans to the tune of Rs. 1,785.79 Lakhs.

SECTION VIII- LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS

Except as stated below:

- a. There are no other outstanding litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities Against our Company, our Directors, our Promoter and Group Companies
- b. There are no defaults, non payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issued by our Company, default in creation of full security as per terms of issue/other liabilities,
- c. There are no amounts owed to small scale undertakings exceeding Rs 1 Lakh, which is outstanding for more than 30 days,
- d. There are no proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act, 1956) other than unclaimed liabilities of our Company and
- e. No disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Promoters, our Directors and Group Companies.

The details of litigations by/against the Company are as follows:

1. F.A. No. 571 of 2010 before the Tamil Nadu State Consumer Disputes Redressal Commission, Chennai.

One customer of the Company has filed a case, C.C No. 27/2009, before the District Disputes Redressal Forum, Tiruvallur alleging that problems arose in respect of the bike purchased by him, especially with regard to the air pressure of the tyres. The claim was for an amount of Rs. 1,57,000. The Company filed its version stating that the claim is not maintainable and further that the tyres of the vehicle have been replaced at the insistence of the customer. The District Consumer Disputes Redressal Forum, Tiruvallur decided the case against the Company and ordered the Company to: (i) refund the entire cost of the faulty bike to the complainant with 6% interest p.a. from the date of purchase till payment (ii) to pay a sum of Rs.10,000/- compensation to the complainant towards his hardship (iii) to pay a cost of Rs.5,000/- to the complainant. The amount payable by the Company shall carry an interest of 9% per month from the date of the order till actual payment. The Company has preferred an appeal against the said order before the State Commission which vide order dated 17.09.2010 has granted interim stay on the order of the District Forum. The next date of hearing of the case is 02.05.2011.

2. C.C No. 67 of 2010 before the District Consumer Disputes Redressal Forum, Tirunelveli.

One person has filed a case before the District Consumer Disputes Redressal Forum, Tirunelveli. The person has alleged that the mileage of the bike was not of expected standard. The claim is for an amount of Rs.85,000. The Company has denied its liability. The Company informs us that the Forum has dismissed the complaint on the ground that the complainant was not the purchaser of the vehicle and was only using the vehicle. A copy of the order is awaited in this regard.

3. C.C No. 33 of 2011 before the District Consumer Disputes Redressal Forum, Tirunelveli

This case has been preferred as a joint complaint by the person who had filed C.C No. 67 of 2010 as stated above. The complaint has now been jointly filed by the complainant (in whose name the vehicle was purchased) and the person who filed C.C No. 67 of 2010, who is the husband of the complainant. The Company will file its reply at the next hearing.

4. C.C no. 58 of 2009 before the District Consumer Disputes Redressal Forum, Thanjavur

One customer of the Company has filed a case before the District Consumer Disputes Redressal Forum, Thanjavur. The customer has alleged that the mileage of the bike was not of expected standard. The claim is for an amount of Rs. 51,000. for which the Court has passed orders on June 23, 2010, directing the Company to pay Rs. 5,000 for service deficiency, Rs. 5,000 for mental agony and Rs. 1,000 for cost.

5. Notices received by the Company from Regulatory Authorities.

The Assistant Commissioner (CT), Koyambedu Assessment Circle, Chennai -95 has issued notices dated 25.09.2009 to the Company for the following assessment years on the ground that sale of electric bikes is to be taxed at 12.5% instead of 4% as charged by the Company. The notices were received by the Company on 29.09.2009.

The Company has replied to the notices stating that electric bikes are to be taxed at 4% in accordance with the Tamil Nadu Value Added Tax Act, 2006. For the years 2006-07 and 2007-2008, the Company has stated that tax at 12.5% was remitted by erroneous oversight and has sought refund of the tax, which has been overruled by the Assistant Commissioner (CT).

The Company has preferred revision proceedings against the said orders for the assessment year 2009-10, with the Joint Commissioner (CT), Chennai and the same is currently pending. The details of the amount of tax disputed as per the above mentioned revised proceeding are given below:

S. No.	Assessment Year	Amount of Tax Disputed (In Rs.)
1	2009-2010	1,02,021

The Company also filed an appeal with The Appellate Deputy Commissioner (CT), Chennai in October 2009. The said appeal is pending. The details of the amount of tax disputed as per the above mentioned appeal are given below:

S. No.	Assessment Year	Amount of Tax Disputed (In Rs.)
1	2006-2007	38,412
2	2007-2008	19,94,810
3	2008-2009	19,79,592

The Company deposited a sum of Rs. 4,69,416/- (Rupees Four Lakhs Sixty Nine Thousand and Four Hundred and Sixteen only) towards 25% of the disputed tax liability on 10.12.2009 for the assessment year 2008-09.

The Appellate Deputy Commissioner of Commercial Taxes VI passed an order dated April 20, 2010 directing:

- the payment of Rs. 4,94,900/- (Rupees Four Lakhs Ninety Four Thousand Nine Hundred only) being 25% of the disputed amount of taxes due, on or before 19.05.2010.
- furnishing of bank guarantee/security bond for a sum of Rs. 9,13,346/- (Rupees Nine Lakhs Thirteen Thousand Three Hundred and Forty Six only) on or before 19.05.2010.

The company made a payment of Rs. 4,95,900 towards 25% of the disputed tax on 17.05.2010. The company approached the Hon'ble High Court of Judicature, Madras for substitution of corporate bond in the place of bank guarantee for Rs. 9,13,346/- (Rupees Nine Lakhs Thirteen Thousand Three Hundred and Forty Six only) vide their W.P. No. 10888/10. The Hon'ble High Court of Judicature Madras passed orders dated 20.05.2010 directing the furnishing of corporate Bond for Rs. 9,13,346/- (Rupees Nine Lakhs Thirteen Thousand Three Hundred and Forty Six only) in the place of bank guarantee within the period of 2 weeks from the day of order. The company has complied with the direction of the Hon'ble High court of Judicature at Madras and furnished the corporate bond for Rs. 9,13,346/- (Rupees Nine Lakhs Thirteen Thousand Three Hundred and Forty Six only) on 31 May, 2010.

MATERIAL DEVELOPMENTS

There are no material developments after the date of the last audited accounts.

GOVERNMENT AND OTHER APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Draft Red Herring Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following statement sets out the details of licenses, permissions and approvals taken by us under various central and state laws for carrying out business

For further details in connection with the regulatory and legal framework within which we operate, please refer to the chapter titled “Key Industry Regulations and Policies” on page 90 of this Draft Red Herring Prospectus.

Approvals for the Issue

1. The Board of Directors has, pursuant to resolution passed at its meeting held on February 14, 2011 authorised the present Issue.
2. The shareholders of our Company have, pursuant to a resolution dated March 14, 2011 authorised the present Issue.
3. Board Resolution dated April 15, 2011 passed by the Board of our Company approving the Draft Red Herring Prospectus.
4. In-principle approval from the Bombay Stock Exchange Limited dated [●].
5. In-principle approval from the National Stock Exchange of India Limited dated [●].
6. SEBI Observation Letter No. [●] dated [●] issued by the Securities and Exchange Board of India
7. Tripartite agreement between the NSDL, our Company and the Registrar dated February 10, 2009.
8. Tripartite agreement between the CDSL, our Company and the Registrar dated June 17, 2009.

Incorporation Details

1. Incorporated as a Private Limited Company with CIN: U50300TN2006PTC061581 on November 23, 2006 vide certificate of incorporation issued by the Registrar of Companies, Tamil Nadu, Chennai.
2. Fresh Certificate of Incorporation dated November 07, 2008 issued by the Registrar of Companies, Tamil Nadu, Chennai upon the change in name of our Company from “Kabirdass Motor Co. Pvt. Ltd” to “Kabirdass Motor Co. Ltd.”. Upon conversion the Company was allotted a new CIN: U50300TN2006PLC061581.

Business Approvals

1. Tax Registrations:

- a. Income Tax
 - PAN of the Company – AACCK9290M

- Allotment of Tax deduction Account Number (TAN): CHEK08741F
- b. VAT
- The Company has obtained certificate of Registration dated 19.01.2007 in Form D under the Tamil Nadu Value Added Tax Act, 2006.
 - The Tax Payer's Identification No. (TIN) is 33111346391.
- c. Central Sales Tax
- The Company is registered as dealer (Form B) under Section 7(1)/ 7(2) of the Central Sales Tax Act, 1956 for the business of manufacturing electric bikes.
 - CST No. is 892388 and the certificate is valid from 18.01.2007 until cancelled.
- d. IEC
- The Company has been granted Certificate of Importer –Exporter Code (IEC) by the Ministry of Commerce, Government of India
 - IEC No. is 0406025584 and the Date of Issue – 28.12.2006
 - Conditions: In case of any change in the name/address of the IEC holder, the IEC holder shall cease to be eligible to import or export against the IEC after expiry of 60 days from the date of such a change unless in the meanwhile, the consequential changes are effected in the IEC by the concerned licensing authority.
- e. Service Tax
- The Company has been granted certificate of registration under Section 69 of the Finance Act, 1994 (32 of 1994) with Service Tax Code (STC) No. is AACCK9290MST001 on 08.07.2008 by the Commissioner of Service Tax, M.H.U. Complex, 692, Anna Salai, Nandanam , Chennai – 600 035.
 - Service tax is payable by the Company for the head “Transport of Goods by Road”
- f. Central Excise
- The Company has been granted Central Excise Registration Certificate in Form RC under Rules 9 of the Central Excise Rules, 2002 on 03.01.2007 and Registration No. is AACCK9290MXM001.
 - Conditions: The Registration is valid for the premises only for business being carried on at 16, Poonamallee High Road, Chennai – 600 077. The Registration Certificate is not valid in case the constitution of the management of the firm undergoes change. By virtue of Notification No.25/2008-Central Excise dated 29th April, 2008 the Company is exempt from excise duty as the product is environment friendly.

2. Licences and Environmental Compliance:


- a. The Company has been classified as a small manufacturing enterprise and has been allotted Entrepreneurs' Memorandum Number – 330011200041 by the General Manager, District Industries Centre, Tiruvallur on February 06, 2007.
- b. The Company has also been duly issued certificate (certificate no. AACB0050) dated October 29, 2007 as per CMV Rule 126, to establish compliance with Central Motor Vehicles Rules, 1989, by 'The Automotive Research Association of India'.

- c. The Company has been granted consent under the provisions of the Water (Prevention and Control of Pollution) Act, 1974 valid till 30.09.2011. The consent is valid subject to the following conditions:
 - The unit has to ensure that no trade effluent is discharged by the unit at any point of time and
 - The unit shall collect and dispose the solid waste, such as, rejected automobile parts, to outside agencies then and there for beneficial use.
- d. The Company has been granted consent under the provisions of the Air (Prevention and Control of Pollution) Act, 1981 valid till 30.09.2011. The consent is subject to the following conditions:
 - The unit shall ensure that no process emission is let out from the premises of the unit and
 - The unit shall develop thick and adequate green belt around the premises of the unit.
- e. The Company has been granted Registration (No. 23-17(347)/2007 –HSMD) dated 15/05/2007 for importing New Lead Acid Batteries by the Ministry of Environment & Forests, Govt. of India under Rule 5 of the Batteries (Management & Handling) Rules, 2001. The registration is subject to compliance of the following conditions:
 - The Company shall file an undertaking as per Form –III to the member Secretary of the concerned State Pollution Control Board
 - The Company shall file half-yearly return of sale/collection of lead acid batteries in Form IV to the concerned State Boards. If the return is not filed within the stipulated time the registration for the import of batteries shall be deemed cancelled. *(The Company has filed Form IV for the period April 2010 to September 2010 on 28.12.2010)*

3. Labour Compliance:

- a. Employees' State Insurance Act: The Company has filed Employer's Registration Form in Form 1 on 24.04.2008 and is registered with the Employees State Insurance Corporation, Chennai with Employer's Code Number 51-88540-67 vide letter dated 06.05.2008 by the Regional Office, ESI, 143 Sterling road, Chennai -600034. In its letter dated 6 May, 2008, the Employee State Insurance Corporation has stated that the Company falls within the purview of Section 2(12) of the Act with effect from 01.07.2007.
- b. The Employees Provident Funds and Miscellaneous Provisions Act, 1952 read with the Employees Provident Funds Scheme, 1952: The Employer Code No. of the Company is: TN/AMB/67092. In its letter dated 14.11.2008, the Employees Provident Fund Organization, Sub-Regional Office, Ambattur has intimated the company that it is covered under the EPF Act with effect from 04.09.2007.
- c. Factories Act, 1948 read with the Tamil Nadu Factories Rules, 1950: The Registration Number of the factory is TVR 8717. The licence is valid till 31.12.2011.

Pending Approvals

S. No.	Particulars	Description
1		Application bearing No. 1513228 has been made for registering the brand name "Xite", with the Trade Marks Registry on December 14, 2006. The application has been made in the name of Mr. Murali Kabirdass for registering the "XITE" (logo) under Class 12 for motorcycles and the same is pending approval.
2	Tamil Nadu Fire and Rescue Service	The Tamil Nadu Fire and Rescue Service has granted fire licence to the Company (Licence No. 3137/B/2010 dated 31.3.2010) under section 13 of the Tamil Nadu Fire Service Act No. 40 1985 and with Tamil Nadu Fire Service Rules 1990 for manufacturing of electric scooters and parts valid for one year. The same has expired now and an application dated 01.04.2011 has been made to, The Fire Officer, Poonamallee, Chennai, for renewal.

SECTION IX- OTHER REGULATORY AND STATUTORY DISCLOSURES

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue of Equity Shares has been authorized by the resolution of the Board of Directors at their meeting held on February 14, 2011 and by the shareholders of our Company pursuant to a special resolution passed at the EGM of our Company held on March 14, 2011.

Prohibition by SEBI

Our Company, our Directors, our Promoters, Promoter Group and Promoter Group companies with which our Directors and Promoters are associated as Directors or Promoters or Partners have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

None of our Directors, except, Mr. Murali Kabirdass and Mrs. Haripriya Murali, who are on the board of directors of group company 'Shareway Securities Limited', which has been granted certificate of registration by SEBI to act as a stock broker for carrying on the activities of buying, selling or dealing in securities and carrying such other activities, are associated with the securities markets in any manner, nor has SEBI initiated any action against them.

Prohibition by RBI

Our Company, our Directors, our Promoters, Promoter Group and the companies with which our Directors are associated as Directors or promoters, relatives (as per Companies Act, 1956) of Promoters have not been declared as wilful defaulters by the RBI or any other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

Eligibility for this Issue

We are eligible for the Issue in accordance with Regulation 26 (2) of the SEBI (ICDR) Regulations as described below:

- (a) the issue is made through the book building process and the issuer undertakes to allot at least fifty percent of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make allotment to the qualified institutional buyers ;and*
- (b) the minimum post-issue face value capital of the issuer is ten crore rupees;*

We are an unlisted company not complying with the conditions specified in Regulation 26 (1) of the SEBI (ICDR) Regulations and are therefore required to meet both the conditions detailed in Regulation 26 (2) (a) (i) and Regulation 26 (2) (b) (i) of the SEBI (ICDR) Regulations.

- We are complying with Regulation 26 (2) (a) (i) of the SEBI (ICDR) Regulations and at least 50% of the Issue are proposed to be allocated to QIBs and in the event we fail to do so, the full subscription monies shall be refunded to the Bidders.
- We are complying with the Regulation 43 (2) (a) and 43 (2) (b) of the SEBI (ICDR) Regulations and Retail Individual Bidders and Non-Institutional Bidders will be allocated not less than 35% and 15% of the Issue respectively.
- We are also complying with Regulation 26 (2) (b) (i) of the SEBI (ICDR) Regulations and the post-Issue face value capital of the Company will be more than the minimum requirement of Rs. 10 crore.

Further, in accordance with sub-regulation (4) of Regulation 26 of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees i.e. persons to whom the Equity Shares will be allotted in the Issue shall not be less than 1,000, failing which the entire application money shall be refunded forthwith. In

case of delay, if any, in refund of application money, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay beyond fifteen days from the date of closure of the Issue.

Compliance with Part A of Schedule VIII of the SEBI Regulations

Our Company is in compliance with the provisions specified in Part A of Schedule VIII of the SEBI ICDR Regulations. No exemption from eligibility norms has been sought under regulation 109 of the SEBI ICDR Regulations, with respect to the Issue. Further, our Company has not been formed by the conversion of a partnership firm into a company.

DISCLAIMER CLAUSES

SEBI DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT RED HERRING PROSPECTUS 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 DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, KARN MERCHANT BANKERS LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AS IN FORCE FOR THE TIMEBEING. 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 ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, KARN MERCHANT BANKERS LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED APRIL 15, 2011 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

“WE THE BOOK RUNNING LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

(1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;

(2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER,

WE CONFIRM THAT:

(A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE

CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

(3) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.

(4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE

(5) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

(6) WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.

(7) WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. - NOT APPLICABLE.

(8) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

(9) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM THE STOCK EXCHANGE MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE

(10) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING 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. 1000 LAKHS, THEREFORE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE ALLOTMENT WILL BE MADE ONLY IN DEMAT FORM.

(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 RED HERRING PROSPECTUS:

(A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER; AND (B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

(13) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.

(14) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND 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 RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE ISSUER 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 BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

The Promoters/Directors of our Company confirm that no information / material, likely to have a bearing on the decision of investors in respect of the shares offered in terms of this Offer Document has been suppressed withheld and / or incorporated in the manner that would amount to mis-statement / misrepresentation and in the event of its transpiring at any point in time till allotment/refund, as the case may be, that any information/material has been suppressed/withheld and/or amounts to a mis-statement/ mis-representation, the Promoters / Directors undertake to refund the entire application monies to all subscribers within 7 days thereafter without prejudice to the provisions of section 63 of the Companies Act.

Caution - Disclaimer statement from our Company and the BRLM

Our Company, our Directors and the BRLM accepts no responsibility for statements made otherwise than in the Draft Red Herring Prospectus or in the advertisement or any other material issued by or at the instance of the Issuer and that anyone placing reliance on any other source of information including our Company's website www.kabirdass.com would be doing so at his own risk.

The BRLM accepts no responsibility; save to the limited extent as provided in the Memorandum of Understanding entered into between the BRLM and our Company and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by our Company and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither our Company nor the Syndicate Members are liable to Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

The BRLM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and our affiliates or associates in the ordinary course of business and have engaged or may in future engage in commercial banking or investment banking transactions with our Company and our affiliates or associates for which they have received, and may in future receive compensation.

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares of our Company and will not issue, sell, pledge, or transfer the Equity Shares of our Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company.

Our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Disclaimer in respect of jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, 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. Public financial institutions as specified in Section 4A of the Companies Act, venture capital funds registered with SEBI, national investment funds, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakhs and pension funds with minimum corpus of Rs. 2,500 Lakhs, eligible NRIs, multilateral and bilateral institutions, FIIs and Foreign Venture Capital Funds registered with SEBI. This DRHP does not, however, constitute 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 Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Chennai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with SEBI for its observations and SEBI has given its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this DRHP nor any sale hereunder shall, under any circumstances create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States 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 will be offered and sold only (i) in India and (ii) outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer Clause of the Bombay Stock Exchange Limited ("BSE")

As required, a copy of the Draft Red Herring Prospectus had been submitted to BSE. BSE has given vide its letter dated [●], permission to our Company to use BSE's name in the offer document as one of the stock exchanges on which our Company's securities are proposed to be listed. BSE has scrutinized the offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to our Company. BSE does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of the offer document; or
- Warrant that our Company's securities will be listed or will continue to be listed on BSE; or
- Take any responsibility for the financial or other soundness of this Company, our promoters, our management or any scheme or project of this Company;

and it should not for any reason be deemed or construed to mean that the Draft Red Herring Prospectus has been cleared or approved by 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.

Disclaimer Clause of the National Stock Exchange of India Limited ("NSE")

As required, a copy of the Draft Red Herring Prospectus had been submitted to NSE. NSE has given vide its letter dated [●] permission to our Company to use the exchange's name in the offer document as one of the stock exchanges on which our Company's securities are proposed to be listed. The exchange has scrutinised the offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document, nor does it warrant that our Company's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of our Company, its promoters, its management or any scheme or project of this Company.

Every person who desires to apply for or otherwise acquires any of our Company's securities may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer clause of the IPO Grading Agency

[●]

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

a. who 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.”

Filing

A copy of the Draft Red Herring Prospectus has been filed with the SEBI Southern Regional Office, D'Monte Building, 3rd Floor, No. 32, D'Monte Colony, TTK Road, Alwarpet, Chennai – 600 018.

A copy of the Red Herring Prospectus, along with documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the Registrar of Companies situated at Block No. 6, B' Wing, 2nd Floor, Shastri Bhawan, 26, Haddows Road, Chennai- 600034, Tamil Nadu, India, at least 3 (three) days before the Bid / Issue Opening Date.

A copy of the Prospectus would also be filed with SEBI and the RoC at their respective addresses upon closure of this Issue and on finalization of the Issue Price.

Listing

Applications will be made to the BSE and NSE for permission to deal in and for an official quotation of our Equity Shares. BSE will be the Designated Stock Exchange with which the basis of Allotment will be finalised. If the permissions to deal in and for an official quotation of our Equity Shares are not granted by any of the Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it, i.e. from the date of refusal or within 15 days from the Bid/Issue Closing Date, whichever is earlier, then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at both the Stock Exchanges mentioned above are taken within seven working days of finalisation of the basis of allotment for the Issue.

Consents

Necessary consents for the issue have been obtained from the following:

1. Promoters of our Company
2. Directors of our Company
3. Bankers to our Company
4. Auditors to our Company
5. Peer Review Auditor of our Company
6. Book Running Lead Manager to the Issue
7. Legal Advisor to the Issue
8. Registrar to the Issue
9. Company Secretary & Compliance Officer
10. Syndicate Member(s) *
11. Bankers to the Issue *
12. Refund Banker *
13. Underwriter(s) to the Issue *
14. IPO Grading Agency *

** Consents from the Bankers to the Issue, Refund Bankers, IPO Grading Agency, and Underwriter to the Issue and Syndicate Member(s) shall be obtained prior to the filing of the Red Herring Prospectus with the RoC. Other consents mentioned herein above have been obtained prior to filing of this Draft Red Herring Prospectus with the SEBI.*

The said consents would be filed with the RoC along with the copy of the RHP, as required under Sections 60 and 60B of the Companies Act, 1956 and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus, for registration with the RoC.

M/s. Raghu & Murali, who have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of the ICAI, have given their written consent to the inclusion of their report in relation to restated financial information of our Company, prepared in accordance with Part II of Schedule II to the Companies Act 1956 and the report in relation to the tax benefits accruing to our Company and its members in the form and context in which it appears in this DRHP and have not withdrawn such consent up to the time of delivery of this DRHP for registration with the RoC.

Expert Opinion

Except for the report of [●] in respect of the IPO Grading of this Issue (a copy of which will be annexed to the Red Herring Prospectus as Annexure I), furnishing the rationale for its grading which will be provided to the Designated Stock Exchange included in this Draft Red Herring Prospectus and **M/s. Raghu & Murali**, the Independent Auditor who is Peer Review Certified in respect of the Restated Audit Report annexed herewith, the Company has not obtained any other expert opinions.

Issue Expenses

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertising expenses and listing fees. The estimated expenses of the Issue are as follows:

(Rs. In Lakhs)

S. No.	Nature of Expenses	Amount *	% of the Issue Expenses*	% of the Issue Size*
1.	Lead Manager's Fees, Underwriting Commissions and Selling Commissions, SCSB's commission	[●]	[●]	[●]
2.	Advertising and Marketing Expenses	[●]	[●]	[●]
3.	Printing and Stationery	[●]	[●]	[●]
4.	Registrars fees, Legal Counsel	[●]	[●]	[●]
5.	Grading fees	[●]	[●]	[●]
6.	Fees payable to SEBI, Stock Exchanges etc.	[●]	[●]	[●]
7.	Others / Miscellaneous	[●]	[●]	[●]
	Total	[●]	[●]	[●]

* will be incorporated after finalization of the Issue Price

Fees Payable to the BRLM and the members of the Syndicate

The total fees payable to the BRLM i.e. Karn Merchant Bankers Limited and the members of the Syndicate will be as per the engagement letters dated September 23, 2010 and [●] respectively, a copy of which shall be available for inspection at the Registered Office and forms part of Material Contracts & Documents.

Fees payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue, Cameo Corporate Services Limited, will be as per the Memorandum of Understanding executed between our Company and the Registrar and a revalidation of the same dated January 02, 2009 and March 25, 2011 respectively, copies of which are available for inspection at our Registered Office and forms part of Material Contracts & Documents.

Adequate funds will be provided to the Registrar to the Issue to enable it to make refunds in any of the modes described in this Draft Red Herring Prospectus or send allotment advice by registered post / speed post / under certificate of posting.

Particulars regarding Public or Rights Issues during last five (5) years

Our Company has not made any previous Public or Rights issue in India or abroad in the five (5) years preceding the date of this Draft Red Herring Prospectus.

Previous issue of Equity Shares otherwise than for Cash

Our Company has not issued any Equity Shares for consideration other than cash, except as mentioned in the section titled 'Capital Structure' on page 43 of this Draft Red Herring Prospectus.

Underwriting Commission, brokerage, and selling commission on Previous Issues

Since this is the Initial Public Offer of the Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of our Company since its inception.

Companies under same Management

No company under the same management within the meaning of Section 370 (1B) of the Companies Act has made any public issue or rights issue during the last three (3) years.

Performance vis-à-vis Objectives

There has not been any previous public issue or rights issue of our Equity Shares. None of our Group Entities/ Associates of our Company are listed on any Stock Exchange and have not made any public issue or rights issue of shares.

Option to Subscribe

Equity Shares being offered through the Draft Red Herring Prospectus can be applied for in dematerialized form only.

Outstanding Debentures or Issue of Bonds or Preference Shares

Our Company has no outstanding debentures or bonds or redeemable preference shares as of the date of this Draft Red Herring Prospectus.

Stock Market Data for Our Company's Equity Shares

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchange.

Purchase of property

Except as stated in "Objects of the Issue" on page 55 of this Draft Red Herring Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Draft Red Herring Prospectus, other than property, in respect of which:

1. The contract for the purchase or acquisition was entered into in the ordinary course of business, nor was the contract entered into in contemplation of the Issue, nor is the issue contemplated in consequence of the contract; or
2. The amount of the purchase money is not material.

Except as stated in this Draft Red Herring Prospectus, our Company has not purchased any property in which any of its Promoters and/or Directors, have any direct or indirect interest in any payment made thereunder.

Mechanism for Redressal of Investor's Grievances

Our Company has constituted a Shareholders' / Investors' Grievance Committee to look into the redressal of the shareholders / investors complaints such as issue of duplicate / split / consolidated share certificates, allotment and listing of shares and review of cases for refusal of transfer/transmission of shares and debentures, complaints for non receipt of dividends etc. For further details on this committee, please refer part titled "Shareholders' / Investors' Grievances Committee" under the section titled "Our Management" beginning on page 103 of the Draft Red Herring Prospectus. To expedite the process of share transfer, our Company has appointed Cameo Corporate Services Limited as the Registrar and Share Transfer Agents of our Company.

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.

All grievances relating to the ASBA process may be addressed to the Registrar with a copy to the relevant SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the ASBA Form was submitted by the ASBA Bidders.

Disposal of Investor's Grievances and Redressal Mechanism

We have appointed Cameo Corporate Services Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with our Compliance Officer. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and bank and Branch. We will monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

A fortnightly status report of the complaints received and redressed by the Registrar to the Issue would be forwarded to us. We would also coordinate with the Registrar to the Issue in attending to the investors' grievances.

We assure that any complaints received, shall be disposed off as per the following schedule:

Sr. No	Nature of the Complaint	Time taken
1	Non-receipt of the refund	Within 7 days of receipt of complaint, subject to production of satisfactory evidence
2	Change of Address	Within 7 days of receipt of information.
3	Any other complaint in relation to Issue	Within 7 days of receipt of complaint with all relevant details.

Our Company has appointed Mr. Balasubramanian Muthukumar, Company Secretary and Compliance Officer to redress complaints, if any, of the investors participating in the Issue. He can be contacted at the following address:

Mr. Balasubramanian Muthukumar

Kabirdass Motor Company Limited,
Best Cast House,
No. 16, Poonamallee High Road,
Velappanchavadi,
Chennai- 600 077;
Tel. No.: +91 44 2680 0988;
Fax No.: +91 44 2680 1218;
Email: compliance@kabirdass.com

We have also constituted a Shareholders' and Investors' Grievances Committee. The composition of the Shareholders' and Investors' Grievances Committee is as follows:-

The Shareholders'/Investor's Grievances Committee of our Company comprises of the following Directors as members:

S. No.	Name of the Member	Designation	Status
1	Mr. J. Sethuraman	Chairman	Independent Director
2	Mr. P. Jothibas	Member	Independent Director
3	Mr. Murali Kabirdass	Member	Executive Director

For further details, please refer to the chapter titled “Our Management” beginning on page 103 of this Draft Red Herring Prospectus. Investors can contact the Compliance Officer or the Company Secretary or the Registrar to the Issue in case of any Pre-Issue or Post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.

Changes in the Auditors

There has been no change in the Statutory Auditor of our Company since inception, except as stated below:

S. No.	Name of Auditors	Appointed for Financial Years	Status
1	Kannan Sundaram & Associates	2006 -2007	Statutory Auditor
2	M.A. Suryanarayanan & Co.	2007 – 2008 to till date	Statutory Auditor
3	M/s. Raghu & Murali	January 21, 2011	Peer Review Auditor

Capitalisation of Reserves or Profits

Except as stated in the section titled “Capital Structure” beginning on page 43 of this Draft Red Herring Prospectus, our Company has not capitalised its reserves or profits at any time since inception.

Revaluation of Assets

Our Company has not revalued its assets in the last five (5) years.

Servicing Behaviour

There has been no default in payment of statutory dues or of interest or principal in respect of the borrowings or deposits of our Company.

Payment or benefit to officers of our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation. Except as disclosed in “Related Party Disclosure” in “Financial Statements” on page 131, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company

SECTION X- ISSUE RELATED TERMS

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles, the terms of the Draft Red Herring Prospectus, and the Prospectus, Bid cum Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the Allotment Advice and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, Stock Exchanges, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The issue of equity shares by our Company has been proposed by the resolution of the Board of Directors passed at their meeting held on February 14, 2011 subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act. The shareholders of our Company authorized and approved this Issue under section 81(1A) of the Act by a Special Resolution at EGM held on March 14, 2011.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles of Association and shall rank pari-passu with the existing equity shares of our Company including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please see “Main Provisions of the Articles of Association” on page 210 of this Draft Red Herring Prospectus.

Mode of Payment of Dividend

We shall pay dividend to our shareholders as per the provisions of the Companies Act, 1956, the Article and the Listing Agreements.

Face Value and Issue Price

The face value of the Equity Shares is Rs. 10/- each and the Floor Price is Rs. [●] and the Cap Price is Rs. [●] per Equity Share and the Anchor Investor Issue Price is Rs. [●] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares subject to the applicable laws.

Rights of the Equity Shareholders

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive annual reports and notices to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, 1956 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association such as those dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and / or consolidation / splitting, please refer to the section titled “Main provision of the Articles of Association” beginning on page 210 of this Draft Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, 1956, the Equity Shares of our Company shall be allotted only in dematerialized form. In terms of existing SEBI Regulations, the trading in the Equity Shares of our Company shall only be in dematerialized form for all investors. Since trading of our Equity Shares will be in dematerialized mode, the tradable lot is one equity share. Allotment of Equity Shares through this Issue will be done only in electronic form in multiples of one (1) Equity Share subject to a minimum Allotment of [●] Equity Shares. For details of allocation and allotment, please refer to the section titled “Issue Procedure” beginning on page 181 of this Draft Red Herring Prospectus.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidder(s), may nominate any one person in whom, in the event of death of the 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. A 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:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, 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 form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Bidding/Issue Programme

BID/ ISSUE OPENS ON ^	[●]
BID/ ISSUE CLOSES ON	[●]

^ Our Company may, in consultation with the BRLM, consider participation by Anchor Investors. The Anchor Investor Bid/Issue Period shall be one day prior to the Bid/Issue Opening Date.

Minimum Subscription

If we do not receive the minimum subscription of 90% of the Issue through the Draft Red Herring Prospectus including devolvement of Underwriters within 60 days from the date of closure of the Issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after our Company becomes liable to pay the amount, our Company shall pay interest as prescribed under Section 73 of the Companies Act and the rules formulated there under.

Further, in accordance with sub-regulation (4) of regulation 26 of SEBI ICDR Regulations we shall ensure that the number of prospective allottees to whom the Equity Shares are allotted will not be less than 1,000. If the

number of Allottees in the proposed Issue is less than 1,000 Allottees, we shall forthwith refund the entire subscription amount received.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction.

Arrangements for Disposal of Odd Lots

Our Company has not made any arrangements for the disposal of odd lots.

Restriction on Transfer of Shares

Except for lock-in of certain pre-Issue Equity Shares, Promoter's minimum contribution and Anchor Investor lock-in in the Issue as detailed in the section "Capital Structure" on page 43 of this Draft Red Herring Prospectus, and except as provided in the Articles of Association. There are no restrictions on transmission of Equity Shares and on their consolidation/splitting except as provided in the Articles of Association. For details, please see the section "Main Provisions of the Articles of Association" on page 210 of this Draft Red Herring Prospectus.

Option to receive Equity Shares in Dematerialized Form

Investors should note that Allotment of Equity Shares to all successful Bidders will only be in the dematerialized form. Bidders will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

New financial instruments

There are no new financial instruments such as deep discounted bonds, debentures, warrants, secured premium notes etc. issued by our Company.

ISSUE STRUCTURE

Issue of [●] Equity Shares of Rs. 10/- each for cash at a price of Rs. [●] per Equity Share (including share premium of Rs. [●] per equity share) aggregating to Rs. 7,800.00 Lakhs. The Issue will constitute [●] % of the fully diluted post issue paid-up equity share capital of our Company.

The Issue is being made through the Book Building Process.

Particulars	Qualified Institutional Bidders	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	At least [●] Equity Shares	Not less than [●] Equity Shares or Issue size less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than [●] Equity Shares or Issue size less allocation to QIB Bidders and Non-Institutional Bidders shall be made available for allocation.
Percentage of Issue Size available for allocation	At least 50% of the Issue shall be allocated to QIBs	Not less than 15% of the Issue or Issue size less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.**	Not less than 35% of the Issue or Issue size less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.**
Basis of allocation if respective category is over-subscribed	Proportionate as follows: (a) [●] Equity Shares constituting 5 % of the Net QIB portion shall be available for allocation on a proportionate basis to Mutual Funds; and (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Upto 30% of the QIB Portion shall be available for allocation to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis and one-third of the Anchor Investor Portion shall be available for allocation to domestic Mutual Funds.	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] not exceeding the size of the Issue subject	Such number of Equity Shares in multiples of [●] not exceeding the size of the Issue subject	Such number of Equity Shares in multiples of [●] per Retail Individual Bidder so as to ensure

	to regulations as applicable to the Bidder	to regulations as applicable to the Bidder	that the Bid Amount does not exceed Rs. 2,00,000.
Mode of Allotment	Compulsory in dematerialized form	Compulsory in dematerialized form	Compulsory in dematerialized form
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Share thereafter	[●] Equity Shares and in multiples of [●] Equity Share thereafter	[●] Equity Shares and in multiples of [●] Equity Share thereafter
Who can Apply ***	Public financial institutions, as specified in Section 4A of the Companies Act, 1956; scheduled commercial banks, mutual funds, foreign institutional investors registered with SEBI, multilateral & bilateral development financial institutions, venture capital investors registered with SEBI, foreign venture capital funds registered with SEBI, state industrial development corporations, permitted insurance companies registered with the Insurance Regulatory & Development Authority, provident funds with minimum corpus of Rs. 2,500 Lakhs, pension funds with minimum corpus of Rs. 2,500 Lakhs and National Investment Fund in accordance with applicable law. National Investment Fund set up by Government of India and insurance funds set up and managed by the army, navy and air force of the Union of India, insurance funds set up and managed by the Department of Posts, India.	Resident Indian individuals, Eligible NRIs, HUF (applying through the Karta), companies, bodies corporate, scientific institutions, societies, trusts, sub accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals.	Resident Indian individuals [#] , Eligible NRIs, HUF (applying through the Karta), applying for Equity Shares such that the Bid Amount does not exceed Rs. 2,00,000.00 in value.
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Terms of Payment	Full Bid Amount shall be payable at the time of submissions of Bid cum Application Form to the members of the Syndicate (including Anchor Investor) and	Full Bid Amount shall be payable at the time of submissions of Bid cum Application Form to the members of the Syndicate and submission of ASBA Form to SCSB.	Full Bid Amount shall be payable at the time of submissions of Bid cum Application Form to the members of the Syndicate and submission of ASBA Form to SCSB.

	submission of ASBA Form to SCSB. In case of ASBA bidders, the SCSB shall be authorised to block the bid amount mentioned in the ASBA Form.	In case of ASBA bidders, the SCSB shall be authorised to block the bid amount mentioned in the ASBA Form ^{##}	In case of ASBA bidders, the SCSB shall be authorised to block the bid amount mentioned in the ASBA Form ^{##}
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** The Issue is being made through the Book Building Process wherein at least 50% of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers (“QIBs”), out of which 5% (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. Upto 30% of the QIB Portion shall be available for allocation to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis and one-third of the Anchor Investor Portion shall be available for allocation to domestic Mutual Funds. The Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price. If at least 50% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Under-subscription, if any, in the Non-Institutional and Retail Individual categories would be allowed to be met with spill over inter-se from any of the other categories, or combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange.*

*** Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional and Retail Individual categories would be allowed to be met with spill over inter-se from any of the other categories, at the sole discretion of our Company, the BRLM and subject to applicable provisions of the SEBI Regulations.*

**** In case the Bid-cum-Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and in the same sequence in which they appear in the Bid-cum-Application Form.*

Resident Retail Individual Investor is also eligible to apply through ASBA process, for details please refer Section “ASBA Process” of this Draft Red Herring Prospectus.

In case of ASBA Bidders, the SCSB shall be authorized to block such funds in the bank account of the Bidder that are specified in the ASBA Bid cum Application Form.

If the aggregate demand by Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund reservation will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids.

Withdrawal of the Issue

Our Company in consultation with the BRLM, reserves the right not to proceed with the issue after the bidding and if so, the reason thereof shall be given as a public notice within two days of the closure of the issue. The public notice shall be issued in the same newspapers where the pre-issue advertisement had appeared. The stock exchanges where the specified securities were proposed to be listed shall also be informed promptly. If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of its Equity Shares, it shall file a fresh draft red herring prospectus with the SEBI.

Bidding/Issue Programme

BID/ISSUE OPENS ON[^]	[●]
BID/ISSUE CLOSES ON	[●]

[^] Our Company may, in consultation with the BRLM, consider participation by Anchor Investors. The Anchor Investor Bid/Issue Period shall be one day prior to the Bid/Issue Opening Date.

Bids and any revision in Bids will be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the Bidding centres mentioned in the Bid cum Application Form **except that on the Bid Closing Date, Bids excluding ASBA Bids shall be accepted only between 10.00 a.m. and 3.00 p.m.** (Indian Standard Time) and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders; and (ii) 5.00 p.m. which may be extended up to such time as permitted by the Stock Exchanges in case of Bids by Retail Individual Bidders where the Bid Amount is up to Rs. 2,00,000. Due to limitation of time available for uploading the Bids on the Bid Closing Date, the Bidders are advised to submit their Bids one Working Day prior to the Bid Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid Closing Date, as is typically experienced in IPOs, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation in the Issue. If such Bids are not uploaded, our Company and the Syndicate shall not be responsible. Bids will be accepted only between Monday and Friday (excluding any public holiday).

On the Bid Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders and Eligible Employees, after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid-cum Application Forms and ASBA Forms as stated herein and reported by the BRLM to the Stock Exchanges within half an hour of such closure.

Our Company reserve the right to revise the Price Band during the Bidding Period in accordance with SEBI ICDR Regulations. The Cap Price shall be less than or equal to 120% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the floor price originally disclosed in the RHP and the Cap Price will be revised accordingly.

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

ISSUE PROCEDURE

This section applies to all Bidders. Please note that all Bidders, other than Anchor Investors, can participate in the Issue through the ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all the Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form.

In respect of QIBs that apply in the Anchor Investor Portion, the Issue procedure set out below should be read with, and is qualified by, the paragraphs below relating to Anchor Investors, including without limitation, the part “Maximum and Minimum Bid Size – For Bidders in the Anchor Investor Portion” on page 187 of this Draft Red Herring Prospectus.

Book Building Procedure

The Issue is being made through the Book Building Process wherein at least 50% of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers (“QIBs”), out of which 5% (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. Upto 30% of the QIB Portion shall be available for allocation to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis and one-third of the Anchor Investor Portion shall be available for allocation to domestic Mutual Funds. The Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price. If at least 50% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Under-subscription, if any, in the Non-Institutional and Retail Individual categories would be allowed to be met with spill over inter-se from any of the other categories, or combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange.

Bidders are required to submit their Bids through the members of the Syndicate. ASBA Investors are required to submit their Bids to the SCSBs. We, in consultation with the BRLM, reserve the right to reject any QIB Bid procured by any or all members of the Syndicate provided the rejection is at the time of receipt of such Bids and the reason for rejection of the Bid is communicated to the Bidder at the time of rejection of the Bid. The QIBs who bid through the ASBA process shall submit their Bids to the designated branch of the SCSBs and should intimate the BRLM. In case of Non-Institutional Bidders, and Retail Individual Bidders our Company would have a right to reject the Bids only on technical grounds.

Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders’ depository account, including the DP ID Numbers and the beneficiary account number, shall be treated as incomplete and rejected. Bid cum Application Forms which do not have the details of the Bidders’ PAN, (other than Bids made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid Cum Application Form

Bidders (other than ASBA Bidders) shall only use the specified Bid-cum-Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid. The Bidders shall have the option to make a maximum of three Bids in the Bid-cum-Application Form and such options shall not be considered as multiple Bids. ASBA Bidders shall submit an ASBA Bid cum Application Form to the SCSB authorising blocking of funds that are available in the bank account specified in the ASBA Bid cum Application Form only. ASBA Bid cum application forms will be available for download and printing, from websites of the Stock Exchanges which provide electronic interface for ASBA facility i.e. Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). Upon filing of the Prospectus with the RoC, the Bid-cum-Application Form shall be considered as the Application Form. Upon completing and submitting the Bid-cum-Application Form to a member of the Syndicate or the SCSB, the Bidder or the ASBA Bidder is deemed to have

authorized our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the Bidder or the ASBA Bidder.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA as well as non ASBA Bidders)*	[●]
Eligible NRIs, FIIs or Foreign Venture Capital Funds, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis (ASBA as well as non ASBA Bidders)*	[●]
Anchor Investor **	[●]

**Bid cum Application forms for ASBA Bidders and the abridged prospectus will also be available on the website of the NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Issue Opening Date. A hyperlink to the website of the Stock Exchanges for this facility will be provided on the website of the BRLM and the SCSBs.*

*** Bid cum Application forms for Anchor Investors have been made available at the office of the BRLM.*

Bidders (other than ASBA Bidders) are required to submit their Bids through the Syndicate. Such Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids.

ASBA Bidders shall submit an ASBA Bid cum Application Form through the SCSB authorising blocking of funds that are available in the bank account specified in the ASBA Bid cum Application Form only. Further, as per circular issued by SEBI dated October 12, 2010, the Syndicate and sub-syndicate members have been permitted to procure ASBA Bid cum Application Forms from the ASBA Bidders and submit the forms to the SCSBs. However, SEBI is yet to notify relevant instructions for modification of existing systems and procedures.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

Upon the filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completion and submission of the Bid cum Application Form to a Syndicate or the SCSB, the Bidder or the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder or the ASBA Bidder.

Who can Bid?

- Indian nationals resident in India who are not minors in single or joint names (not more than three);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in Equity Shares;
- Mutual Funds registered with SEBI;

- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this issue;
- Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category.
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital investors registered with SEBI;
- Multilateral and bilateral development financial institutions;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in Equity Shares;
- Scientific and/or industrial research organisations authorised to invest in equity shares;
- Insurance companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with a minimum corpus of Rs. 2,500 Lakhs and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with a minimum corpus of Rs. 2,500 Lakhs and who are authorised under their constitution to hold and invest in equity shares;
- National Investment Fund;
- Insurance funds set up and managed by the army, navy or air force of the Union of India; and
- Insurance funds set up and managed by Department of Posts, India;

As per the existing regulations, OCB's cannot participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid cum Application Form, the OCB shall be eligible to be considered for share allocation.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Participation by associates and affiliates of the BRLM and the Syndicate Member(s)

The BRLM and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations, if any. However, associates and affiliates of the BRLM and Syndicate Member(s) may subscribe for the Equity Shares in the Issue, including in the QIBs and Non-Institutional portion where the allocation is on proportionate basis. Such holding or subscription may be on their own account or on behalf of their clients.

The BRLM and any persons related to the BRLM or the Promoter and the Promoter Group cannot apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

Under the SEBI ICDR Regulations, 5% of the QIB Portion, i.e. [●] Equity Shares have been specifically reserved for mutual funds on a proportionate basis. An eligible Bid by a Mutual Fund in the Mutual Fund Portion shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand in the Mutual Fund Portion is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion.

In accordance with the current regulations, no mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments by index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the name of the scheme concerned for which the Bid has been made.

One-third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue paid-up capital. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each subaccount shall not exceed 10% of our total issued capital of our Company or 5% of the total issued capital, in case such sub-account is a foreign corporate or an individual. As of now, the aggregate FII holding in our Company cannot exceed 24% of our total paid-up share capital.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended, by the SEBI (Foreign Institutional Investors) (Amendment) Regulations, 2008 ("SEBI Regulations"), an FII, as defined in the SEBI Regulations, or its sub account may issue, deal or hold, off-shore derivative instruments (defined under the SEBI Regulations, as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII or sub-account is also required to ensure that no further issue or transfer of any off-shore derivative instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the BRLM and the Syndicate Member(s) that are FIIs may issue offshore derivative instruments against the Equity Shares allotted to them in the Issue. Any such off-shore derivative instrument does not constitute any obligation or claim or claim on or an interest in our Company.

Bids by Eligible NRIs

NRI Bidders to comply with the following:

Individual NRI Bidders can obtain the Bid cum Application Forms ([●] in colour) from our Registered Office, members of the Syndicate or the Registrar to the Issue.

NRI Bidders may please note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for allotment. NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application Form meant for resident Indians ([●] in colour).

Bids by Eligible NRIs for a Bid Amount of up to Rs. 2,00,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 2,00,000 would be considered under Non- Institutional Portion for the purposes of allocation.

Bids by SEBI registered Venture Capital Funds (VCF) and Foreign Venture Capital Investors (FVCI)

The SEBI (Venture Capital Funds) Regulations, 1996, and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, prescribe investment restrictions on Venture Capital Funds and Foreign Venture Capital Investors registered with SEBI.

Accordingly, the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund. Further, venture capital funds can invest only up to 33.33% of the investible funds by way of subscription to an IPO of a venture capital undertaking whose shares are proposed to be listed.

The SEBI has issued a press release on June 26, 2006 stating that the shareholding of SEBI registered Venture Capital Funds and Foreign Venture Capital Investors held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the Draft Red Herring Prospectus with the SEBI.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and / or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- With respect to Bids made by provident funds with a minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund / pension fund must be lodged along with the Bid cum Application Form.

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 Bid cum Application form, subject to such terms and conditions that our Company and the BRLM may deem fit.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own inquiries about the limits applicable to them. Our Company and the BRLM are not liable for informing the investors of, any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for does not exceed the applicable investment limits under laws or regulations or the maximum number of Equity Shares that can be held by them under applicable laws. Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove.

Bids under the Anchor Investor Portion

Our Company may, in consultation with the BRLM, consider participation by Anchor Investors in the Issue for upto [•] Equity Shares in accordance with the applicable SEBI ICDR Regulations. The QIB Portion shall be reduced in proportion to the allocation under the Anchor Investor category. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. The key terms for participation in the Anchor Investor Portion are as follows:

- a. Anchor Investors shall be QIBs;
- b. A Bid by an Anchor Investor must be for a minimum of such number of Equity Shares that the Bid Amount exceeds Rs. 1,000 lakhs and in multiples of [•] Equity Shares thereafter. Anchor Investors cannot submit a Bid for more than 30% of the QIB Portion.

- c. One-third of the Anchor Investor Portion (i.e., [●] Equity Shares) shall be reserved for allocation to domestic Mutual Funds.
- d. The minimum number of allottees in the Anchor Investor Portion shall not be less than:
 - two, where the allocation under Anchor Investor Portion is upto Rs. 25,000 lakhs; and
 - five, where the allocation under Anchor Investor Portion is more than Rs. 25,000 lakhs.
- e. Anchor Investors shall be allowed to Bid under the Anchor Investor only on the Anchor Investor Bidding Date (i.e., one day prior to the Bid / Issue Opening Date).
- f. Our Company shall, in consultation with the BRLM, finalise allocation to the Anchor Investors on a discretionary basis, subject to compliance with requirements regarding minimum number of Allottees under the Anchor Investor Portion.
- g. Allocation to Anchor Investors shall be completed on the day of bidding by Anchor Investors
- h. The number of Equity Shares allocated to successful Anchor Investors and the price at which the allocation is made, shall be made available in public domain by the BRLM before opening of Bidding on the Bid/Issue Opening Date.
- i. Anchor Investors shall pay the entire Bid Amount at the time of submission of their Bid. In case the Issue Price is greater than the Anchor Investor Price, any additional amount being the difference between the Issue Price and Anchor Investor Price shall be payable by the Anchor Investors. In the event the Issue Price is lower than the Anchor Investor Price, the allotment to Anchor Investors shall be at Anchor Investor Price.
- j. The Equity Shares allotted in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment in the Issue.
- k. Neither the BRLM, nor any person related to the BRLM, our Promoters, members of our Promoter Group or Group Companies, shall participate in the Anchor Investor Portion.
- l. Bids made by QIBs under both the Anchor Investor Portion and the Net QIB Portion shall not be considered as multiple Bids.
- m. The instruments for payment into the Escrow Account should be drawn in favour of:
 - In case of Resident Anchor Investors: “**Kabirdass Motors Public Issue – Escrow Account – Anchor Investor - R**”;
 - In case of Non-Resident Anchor Investor: “**Kabirdass Motors Public Issue – Escrow Account – Anchor Investor - NR**”

Additional details, if any, regarding participation in the Issue under the Anchor Investor Portion shall be disclosed in the advertisement for the Price Band published by our Company, in one English national daily newspaper, one Hindi national daily newspaper and one regional daily newspaper with wide circulation, where the Registered Office of our Company is situated, at least two Working Days prior to the Bid / Issue Opening Date.

The above information is given for the benefit of the Bidders. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their own independent investigations and are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus.

Maximum and Minimum Bid size

For Retail Bidders:

The Bid must be for minimum [●] number of Equity Shares and in multiples of [●] Equity Shares thereafter subject to maximum bid amount of Rs. 2,00,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 2,00,000. In case, the Bid Amount is over Rs. 2,00,000 due to revision or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allotment under the Non-Institutional Bidders category. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

For Non-Institutional Bidders and QIBs Bidders:

The Bid must be for a minimum of such number of Equity Shares in multiples of [●] such that the Bid Amount payable by the Bidder exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue to the public. However, the maximum Bid by a QIB should not exceed the

investment limits prescribed for them by applicable laws. Under existing SEBI ICDR Regulations, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Day.

In case of revision in Bids, the Non-Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than Rs. 2,00,000, for being considered for allocation in the Non Institutional Portion. In case the Bid Amount reduces to Rs. 2,00,000 or less due to a revision in Bids or revision of Price Band, the same would be considered for allocation under the Retail Portion. Non Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

For Bidders in the Anchor Investor Portion:

The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount is at least Rs. 1,000 Lakhs and in multiples of [●] Equity Shares thereafter. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids. A Bid cannot be submitted for more than 30% of the QIB Portion under the Anchor Investor Portion. Bids by individual schemes of a Mutual Fund will be consolidated to calculate the minimum application of Rs. 1,000 Lakhs.

Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised Anchor Investor Allocation Notice.

Information for the Bidders

1. Our Company and the BRLM shall declare the Bid/Issue Opening and the Bid/Issue Closing Day in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English national daily and Hindi national daily) and one regional language newspaper with wide circulation. This advertisement shall be in the prescribed format.
2. Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/Issue Opening Date.
3. The Syndicate and the SCSBs, as applicable, will circulate copies of the Bid cum Application Form to potential investors and at the request of potential investors, copies of the Red Herring Prospectus. The SCSB shall ensure that the abridged prospectus is made available on its website.
4. The Price Band shall be advertised at least two days prior to the Bid/Issue Opening Date. Copies of the Bid cum Application Form and copies of the Red Herring Prospectus will be available with the Syndicate. The SCSBs shall ensure that the abridged prospectus is made available on their websites.
5. Any bidder (who is eligible to invest in the Equity Shares) desirous of obtaining a copy of the Red Herring Prospectus along with the Bid cum Application Form can obtain the same from the Registered Office of our Company or from the BRLM or from a member of the Syndicate or the SCSBs.
6. Eligible Bidders who are interested in subscribing for the Equity Shares should approach the BRLM or Syndicate Members or their authorized agent(s) to register their Bids. Bidders who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids.
7. The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms (other than the ASBA Bid cum Application Forms) should bear the stamp of the Syndicate, otherwise they will be rejected.
8. Bids by ASBA Bidders shall be accepted by the Designated Branches of the SCSBs in accordance with the SEBI Regulations and any circulars issued by SEBI in this regard. Bidders applying through the ASBA process also have an option to submit the ASBA Bid cum Application Form in electronic form.
9. The applicants may note that in case the DP ID and Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchange by the Syndicate do not match with the DP ID and Client ID and PAN available in the Settlement Depository database, the application is liable to be rejected.

Instructions for Completing the Bid cum Application Form

Bidders can obtain Bid cum Application Forms and / or Revision Forms from the any of the member of the Syndicate or from our Registered Office. ASBA Bid cum Application Forms can be obtained from the Designated Branches of the SCSBs. ASBA Bid cum Application Forms shall also be available at the website of the respective stock exchanges at www.bseindia.com and www.nseindia.com. Syndicate/ sub-syndicate members may also procure ASBA Bid cum Application Forms directly from the investors and submit it to the SCSBs and shall upload the Bid and other details of such ASBA Bid cum Application Forms in the bidding platform provided by the Stock Exchanges and forward the same to the respective SCSBs. The SCSBs shall verify the signatures of such applicants, block the requisite quantum of funds and forward these forms to the Registrar to the Issue.

Bids and revision of bids must be:

- Made only in the prescribed Bid cum Application Form or Revision Form, as applicable.
- Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected. Bidders should note that the Syndicate and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms or Revision Forms.
- Information provided by the Bidders will be uploaded in the online IPO system by the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Bidders should ensure that the details are correct and legible.
- For Retail Individual Bidders, the Bid must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid Amount of Rs. 2,00,000.
- For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under the applicable laws or regulations.
- For Anchor Investors, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to Rs. 1,000 Lakhs and in multiples of [●] Equity Shares thereafter.
- In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Submission of Bid cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or bank drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. With respect to ASBA Bidders, the ASBA Bid cum Application Form or the ASBA Revision Form shall be submitted to the Designated Branches of the SCSBs, either by the Syndicate or sub-syndicate members or by the ASBA Bidders directly.

No separate receipts shall be issued for the money payable on the submission of a Bid cum Application Form or Revision Form. However, the collection centre of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the record of the Bidder.

General Instructions:

Dos:

- (a) Check if you are eligible to apply;
- (b) Complete the Bid cum Application Form after reading all the instructions carefully;
- (c) Ensure that the details about Depository Participant and Beneficiary Account are correct as Equity Shares will be allotted in the dematerialized form only;
- (d) Ensure that the Demographic Details (including address, Bidders bank account details, MICR code and occupation) are updated, true and correct in all respects;

- (e) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate or with respect to ASBA Bidders, ensure that your Bid is submitted at a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilized by the Bidder for bidding;
- (f) With respect to the ASBA Bids ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the ASBA Bid cum Application Form;
- (g) Ensure that you request for and receive a TRS for all your Bid options;
- (h) Ensure that you have funds equal to the Bid Amount in your bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB;
- (i) Ensure that the full Bid Amount is paid for the Bids submitted to the Syndicate and funds equivalent to the Bid Amount are blocked in case of any Bids submitted through the SCSBs.
- (j) Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;
- (k) Submit Revised Bids to the same Syndicate Member through whom the original Bid was placed and obtain a revised TRS;
- (l) Except for Bids submitted on behalf of the Central Government, residents of Sikkim or the State Government and officials appointed by a court, all Bidders should mention their PAN allotted under the IT Act;
- (m) Ensure that the Bid is within the Price Band;
- (n) Investors must ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the Depository Account is held. In case, the Bid cum Application Form is submitted in joint names, investors should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.
- (o) Ensure that Permanent Account Number (PAN) is mentioned in the Bid-cum-Application Form.

Don'ts:

- (a) Do not Bid if you are prohibited from doing so under the law of your local jurisdiction;
- (b) Do not Bid for lower than minimum Bid size;
- (c) Do not Bid or revise the Bid to less than the lower end of the Price Band or higher than the higher end of the Price Band;
- (d) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Syndicate or the SCSBs, as applicable;
- (e) Do not pay Bid amount in cash, through stock invest, by money order or by postal order;
- (f) Do not provide your GIR number instead of PAN number;
- (g) Do not Bid at cut off price (for QIB Bidders, Non-Institutional Bidders for whom the Bid Amount exceeds Rs. 2,00,000);
- (h) Do not Bid for a Bid Amount exceeding Rs. 2,00,000 (for Bids by Retail Individual Bidders);
- (i) Do not fill up the Bid cum Application Form for an amount that exceeds the investment limit or maximum number of Equity Shares that can be held by a Bidder under the applicable laws / regulations.
- (j) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate or the SCSBs only;
- (k) Do not submit the Bids without the full Bid Amount.
- (l) Do not bid through a Syndicate Member, if you are an ASBA investor, and have already submitted your bid through the designated SCSB. Such bids shall be considered as multiple bids and both the applications are liable to be rejected.

Method and Process of Bidding

We, with the BRLM, shall declare the Bid/Issue Opening Date and the Bid/Issue Closing Date after the filing of the Red Herring Prospectus with RoC and also publish the same and price band in three widely circulated newspapers (one each in English, Hindi and a regional newspaper). This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

The members of the Syndicate shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement. The Price Band and the minimum Bid lot size for the Issue will be decided by our Company, in consultation with the BRLM, and advertised at least two working days prior to the Bid/Issue Opening Date.

Investors who are interested in subscribing for our Equity Shares should approach any of the members of the Syndicate or their authorized agent(s) to register their Bid. The Bidding Period shall be a minimum of 3 (three) working days and not exceed 7 working days. In case the Price Band is revised, the revised Price Band and the

Bidding Period will be informed to the Stock Exchange and published in two national newspapers (one each in English and Hindi) and one regional newspaper and on websites of BRLM and our Company, as appearing on the cover page and the Bidding Period may be extended, if required, by an additional 3 (three) working days, subject to the total Bidding Period not exceeding 10 (Ten) working days.

During the Bid/Issue Period, Bidders, other than QIBs, who are interested in subscribing for the Equity Shares should approach the Syndicate or their authorized agents to register their Bids. The Syndicate shall accept Bids from all the Bidders and have the right to vet the Bids during the Bid/Issue Period in accordance with the terms of the Red Herring Prospectus. Bidders who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids.

Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels” on page 191 of this DRHP) within the Price Band and specify the demand (i.e., the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid price, will become automatically invalid.

The Bidder cannot bid on another Bid cum Application Form after Bids have been submitted on one Bid cum Application Form to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple bidding and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph entitled “Build up of the Book and Revision of Bids”.

The Syndicate Members / SCSBs will enter each option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip (TRS), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRS’ for each Bid cum Application Form. It is the responsibility of the bidder to obtain the TRS from the Syndicate Member. Along with the Bid cum Application Form, all Bidders will make payment in the manner described under paragraph titled “Escrow Mechanism, Terms of Payment and Payment into the Escrow Accounts” beginning on page 192 under this chapter in this Draft Red Herring Prospectus.

Upon receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchange.

The BRLM shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/Issue Period i.e. one Working Day prior to the Bid/Issue Opening Date.

Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.

If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal / failure of the Issue or until withdrawal / rejection of the ASBA Bid cum Application Form, as the case may be. 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 ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal / failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Bids at Different Price Levels and Revisions of Bids

The Price Band and the minimum Bid lot size for the Issue will be decided by our Company, in consultation with the BRLM, and advertised at least two working days prior to the Bid/Issue Opening Date. The Bidders can bid at any price within the Price Band, in multiples of Re 1. The minimum application size should be in the range of Rs. 5,000 to Rs. 7,000.

In accordance with SEBI ICDR Regulations, our Company in consultation with the BRLM in accordance with this clause, without the prior approval of, or intimation, to the Bidders, can revise the Price Band. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band. In case of revision in the Price Band, the Issue will be kept open for a further period of three working days after the revision of the Price Band, subject to the total Bidding Period not exceeding ten working days.

In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall be suitably revised, if necessary, such that the minimum application is in the range of Rs. 5,000 to Rs. 7,000.

Our Company in consultation with the BRLM, can finalise the Anchor Investor Issue Price within the Price Band, without the prior approval of, or intimation, to the Anchor Investors.

Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by informing the Stock Exchange, by issuing a public notice in two national newspapers (one each in English and Hindi) and one regional newspaper, and also indicating the change on the relevant websites of the BRLM and the terminals of the members of the Syndicate.

We, in consultation with the BRLM, can finalize the Issue Price within the Price Band without the prior approval of, or intimation to, the Bidders.

The Bidders can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders applying for a maximum bid in any of the bidding options not exceeding Rs. 2,00,000 may bid at 'Cut off'. However, bidding at 'Cut-off' is prohibited for QIB or Non-Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.

Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders, shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

In case of an upward revision in the Price Band announced as above, Retail Individual Bidders, who had bid at 'Cut-off' Price could either:

1. Revise their Bid; or
2. Make an additional payment based on the cap of the revised Price Band, with the members of the Syndicate to whom the original Bid was submitted. In case, the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs. 2,00,000, the Bid will be considered for allocation under the Non Institutional category in terms of the Draft Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut off.

In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have bid at Cut off price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Refund Account.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of PAN of the Bidders, DP ID and beneficiary account number provided by them in the Bid cum Application Form, the Registrar will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as "Demographic Details"). These bank account details would be used for giving refunds (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) or unblocking of ASBA Account. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant.

Please note that failure to do so could result in delays in dispatch / credit of refunds to the Bidders or unblocking of ASBA Account at the Bidders' sole risk and neither the BRLM nor the Registrar or the Escrow Collection Banks or the SCSBs nor our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALIZED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/allocation advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Refund orders / CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders / CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder (other than ASBA Bidders) in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Bidder's sole risk and neither our Company, the Escrow Collection Banks, Registrar, the BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, PAN of the sole / First Bidder, the DP ID and the beneficiary's identity, then such Bids are liable to be rejected.

Refunds, Dividends and other Distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupees drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs and FIIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Escrow mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, please see "Issue Procedure - Payment Instructions" on page 194 of this Draft Red Herring Prospectus.

Electronic Registration of Bids

The Syndicate Members and the SCSBs will register the Bids using the on-line facilities of the Stock Exchange. The Syndicate Members and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid/Issue Closing Date.

There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Bids are being accepted. The BRLM, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Syndicate Members and the SCSBs, (ii) the Bids uploaded by the Syndicate Members and the SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate Members and the SCSBs or (iv) with respect to ASBA Bids, Bids accepted and uploaded without blocking funds in the ASBA Accounts. However, the Syndicate Members and/or the SCSBs shall be responsible for any error in the Bid details uploaded by them. It shall be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.

The Stock Exchange will offer an electronic facility for registering Bids for the Issue. This facility will be available with the Syndicate and their authorized agents and the SCSBs during the Bid/ Issue Period. The Syndicate Members and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis. On the Bid/Issue Closing Date, the Syndicate and the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchange. This information will be available with the BRLM on a regular basis.

Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchange, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange would be made available at the Bidding centres during the Bid/Issue Period.

At the time of registering each Bid other than ASBA Bids, the Syndicate Members shall enter the following details of the Bidders in the on-line system:

- Name of the Bidder: Bidders should ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the Depository Account is held. In case the Bid cum Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.
- Investor Category – Individual, Corporate, FII, NRI, Mutual Fund, etc.
- Numbers of Equity Shares Bid for
- Bid Amount
- Cheque Details
- Bid cum Application Form number
- DP ID and client identification number of the beneficiary account of the Bidder
- PAN

With respect to ASBA Bids, at the time of registering each Bid, the Designated Branches of the SCSBs shall enter the following information pertaining to the Bidder into the online system:

- Name of the Bidder(s)
- Application Number
- PAN (of First Bidder, in case of more than one Bidder)
- Investor Category and Sub-Category

Retail	Non- Institutional	QIB
(No sub category)	Individual, corporate, Other	Mutual Funds Financial Institutions Insurance companies Foreign Institutional Investors other than corporate and individual sub-accounts

- Employees / shareholders (if reservation)
- DP ID and client identification number

- Beneficiary account number of Equity Shares Bid for
- Quantity
- Bid Amount
- Bank account number
- Cheque amount and
- Cheque number

A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the Syndicate or the Designated Branches of the SCSBs. The registration of the Bid by the Syndicate Member or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be allocated/ allotted either by the Syndicate or our Company.

Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

In case of QIB Bidders, only the BRLM and their affiliate Syndicate Members have the right to accept the Bid or reject it. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders, Retail Individual Bidders, Bids will be rejected on technical grounds listed on page 197 of this Draft Red Herring Prospectus. The Syndicate Members may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSBs shall have no right to reject Bids, except on technical grounds.

The permission given by the Stock Exchange to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and / or the BRLM are cleared or approved by the Stock Exchange, nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the Promoters, the management or any scheme or project of our Company, nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.

Only Bids that are uploaded on the online IPO system of the Stock Exchange shall be considered for allocation / Allotment. Syndicate Members will be given up to one day after the Bid/Issue Closing Date to verify the information uploaded in the online IPO system during the Bid/Issue Period after which the date will be sent to the Registrar for reconciliation and Allotment of Equity Shares. In case of any discrepancy of data between BSE and the Syndicate Members or the Designated Branches of the SCSBs, the decision of our Company, in consultation with the BRLM and the Registrar, based on the physical records of Bid Cum Application Forms shall be final and binding on all concerned. If the Syndicate Members finds any discrepancy in the DP name, DP ID and the Client ID, the Syndicate Members will correct the same and send the data to the Registrar for reconciliation and Allotment of Equity Shares.

Payment Instructions

Escrow Mechanism for Bidders other than ASBA Bidders

Our Company and the Syndicate shall open Escrow Account(s) with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make the cheque or demand draft with respect to his or her Bid and / or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders would be deposited in the Escrow Account. The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement.

The Escrow Collection Banks for and on behalf of the Bidders shall maintain the monies in the Escrow Account until the Designated Date.

The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund

Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the BRLM, the Syndicate, the Escrow Collection Banks and the Registrar to facilitate collections from the Bidders.

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSB shall block an amount equivalent to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal / rejection of the ASBA Bid or receipt of instructions from the Registrar to unblock the Bid Amount. In the event of withdrawal or rejection of the ASBA Bid cum Application Form or for unsuccessful ASBA Bid cum Application Forms, the Registrar shall give instructions to the SCSB to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal / failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Payment into Escrow Account for Bidders other than ASBA Bidders

Each Bidder shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the amount payable on the Bid and / or on allocation / Allotment as per the following terms:

All the Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.

The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the Syndicate Members. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid of the Bidder shall be rejected.

The payment instruments for payment into the Escrow Account should be drawn in favour of:

In case of Resident QIB Bidders: “**Kabirdass Motors Public Issue- Escrow Account- QIB-R**”

In case of Non-Resident QIB Bidders: “**Kabirdass Motors Public Issue- Escrow Account- QIB-NR**”

In case of Resident Retail and Non-Institutional Bidders: “**Kabirdass Motors Public Issue- Escrow Account-R**”

In case of Non-Resident Retail and Non-Institutional Bidders: “**Kabirdass Motors Public Issue- Escrow Account-NR**”

Anchor Investors would be required to pay the Bid Amount at the time of submission of the Bid cum Application Form. In the event of the Issue Price being higher than the price at which allocation is made to Anchor Investors, the Anchor Investors shall be required to pay such additional amount to the extent of shortfall between the price at which allocation is made to them and the Issue Price as per the pay-in date mentioned in the revised Anchor Investor Allocation Notice. If the Issue Price is lower than the price at which allocation is made to Anchor Investors, the amount in excess of the Issue Price paid by Anchor Investors shall not be refunded to them.

For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

(a) In case of resident Anchor Investors: “**Kabirdass Motors Public Issue- Escrow Account- Anchor Investors-R**”

(b) In case of non-resident Anchor Investors: “**Kabirdass Motors Public Issue- Escrow Account- Anchor Investors-NR**”

In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupees 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 the banks authorized to deal in foreign exchange in India, along with the documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

In case of Bids by NRIs are applied on non-repatriation basis, the payments must be made through Indian Rupees 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 the documentary evidence in support of the remittance or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

In case of Bids by FIIs, the payment should be made out of funds held in a Special Rupee Account along with the documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.

The monies deposited in the Escrow Account will be held for the benefit of the Bidders (other than ASBA Bidders) till the Designated Date.

On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.

On the Designated Date and no later than 10 Working Days from the Bid/Issue Closing Date, the Escrow Collection Banks shall also refund all amounts payable to unsuccessful Bidders (other than the ASBA Bidders) and also the excess amount paid on bidding, if any, after adjusting for allocation / Allotment to such Bidders.

Payments should be made by cheque, or a demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques / bank drafts drawn on the 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.

Other Instructions

Joint Bids in case of Individuals

Individuals may make bid in single or joint names (not more than three). In case of the joint Bids, all refunds will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form ("First Bidder"). All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one (and not more than one) Bid.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of the Mutual Fund and such Bids in respect of over one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Bids by QIBs under the Anchor Investor Portion and the QIB Portion (excluding Anchor Investor Portion) will not be treated as multiple Bids.

After submitting a bid using an ASBA Bid cum Application Form either in physical or electronic mode, where such ASBA Bid has been submitted to the SCSBs and uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, whether on another ASBA Bid cum Application Form, to either the same or another Designated Branch of the SCSB, or on a non-ASBA Bid cum Application Form. Submission of a second Bid in such manner will be deemed a multiple Bid and would be rejected either before entering the Bid into the electronic Bidding system or at any point of time prior to the allocation or Allotment of

the Equity Shares in the Issue. However, ASBA Bidders may revise their Bids through the Revision Form, the procedure for which is described in “Build up of the Book and Revision of Bids” on page 198 of this Draft Red Herring Prospectus.

More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five ASBA Bid cum Application Forms with respect to any single ASBA Account. Duplicate copies of ASBA Bid cum Application Forms downloaded and printed from the website of the Stock Exchanges bearing the same application number shall be treated as multiple Bids and are liable to be rejected. Our Company in consultation with the BRLM, reserves the right to reject, in its absolute discretion, all (or all except one) multiple Bid(s) in any or all categories.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple Bids are provided below:

1. All Bids will be checked for common PAN as per the records of Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN will be treated as multiple Bids and will be rejected.
2. The Bids from Mutual Funds and FII sub-accounts, which were submitted under the same PAN, as well as Bids on behalf of the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, for whom the submission of PAN is not mandatory, the Bids were scrutinised for DP ID and Beneficiary Account Numbers. In case such Bids bear the same DP ID and Beneficiary Account Numbers, these were treated as multiple Bids and were rejected.

Permanent Account Number (PAN)

Except for Bids on behalf of the Central or State Government and the officials appointed by the courts, the Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form without the PAN is liable to be rejected, except for resident in the state of Sikkim, may be exempted from specifying their PAN for transactions in the securities market. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.**

Rejection of Bids

In case of QIB Bidders, our Company in consultation with the BRLM may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company has a right to reject the Bids based on technical grounds. Consequently, refunds shall be made by RTGS / NEFT / NES / Direct Credit / cheque or pay order or demand draft and will be sent to the Bidder's address at the Bidder's risk. With respect to ASBA Bids, the Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected inter-alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to ASBA Bids, the amounts mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of the Equity Shares Bid for;
- 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;
- Bids by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- Age of the First Bidder
- PAN not mentioned in the Bid cum Application Form;
- GIR number furnished instead of PAN;

- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than the Floor Price;
- Bids at a price more than the Cap Price;
- Submission of more than five ASBA Bid cum Application Forms per bank account;
- Bids at Cut-off Price by Non-Institutional and QIB Bidders;
- Bids for number of Equity Shares which are not in multiples of [●];
- Category not ticked;
- Multiple Bids as defined in the Draft Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Signature of sole and / or joint bidders missing. With respect to ASBA Bids, the Bid cum Application form not being signed by the account holders, if the account holder is different from the Bidder;
- Signatures of the bidder not matching with his sign on record with the SCSB in the event an ASBA Bid cum Application Form is submitted through a Syndicate/ sub – syndicate member.
- Bids accompanied by Stock invest / money order / postal order / cash;
- Bid cum Application Forms does not have the stamp of the BRLM or Syndicate Members or the SCSB;
- Bid cum Application Forms does not have Bidder's depository account details;
- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, the Bid/Issue Opening Date advertisement and the Draft Red Herring Prospectus and as per the instructions in the Draft Red Herring Prospectus and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- With respect to ASBA Bids, inadequate funds in the bank account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the bank account;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- Bids by QIBs not submitted through the BRLM or in case of ASBA Bids for QIBs not intimated to the BRLM;
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Bids not uploaded on the terminals of the Stock Exchange; and
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.
- Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of the electronic facilities of the Stock Exchanges.
- **IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGE OR THE SYNDICATE / THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITORIES.**

Build Up of the Book and Revision of Bids

Bids registered by various Bidders (except Bids by Anchor Investor) through the Syndicate Members shall be electronically transmitted to the Stock Exchange's mainframe on a regular basis.

The book gets built up at various price levels. This information will be available with the BRLM on a regular basis.

During the Bid/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the price band using the printed Revision Form, which is a part of the Bid cum Application Form.

Revisions can be made in both the desired numbers of the Equity Shares and the bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has bid for three options in the Bid cum Application Form and he is changing only one of the options in the

Revision Form, he must still fill the details of the other two options that are not being changed in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the Syndicate Members and the Designated Branches of the SCSBs.

Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Draft Red Herring Prospectus. QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the ASBA Bids, if revision of the Bids results in an incremental amount, the relevant SCSB shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the Syndicate Members shall collect the payment in the form of cheque or demand draft, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders. In such cases, the Syndicate Members will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.

When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the Syndicate Members. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

Only Bids that are uploaded on the online IPO system of BSE shall be considered for allocation/ allotment. In case of discrepancy of data between BSE and Syndicate Members, the decision of the BRLM based on the physical records of Bid cum Application forms shall be final and binding to all concerned.

Price Discovery and Allocation

- Based on the demand generated at various price levels, our Company in consultation with the BRLM shall finalise the Issue Price and Anchor Investor Issue Price.
- Allocation to Anchor Investors shall be at the discretion of our Company in consultation with the BRLM, subject to compliance with the SEBI Regulations.
- Our Company, in consultation with the BRLM shall finalize the “Issue Price”, the number of Equity Shares to be allotted in each investor’s category.
- QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date. Further, the Anchor Investors shall not be allowed to withdraw their Bids after the Anchor Investor Bid/Issue Period.
- The allocation to Non-Institutional Bidders and Retail Individual Bidders would be on proportionate basis, in the manner specified in the SEBI ICDR Regulations, the RHP and Prospectus in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
- In case of over-subscription in all categories, at least 50% of the Issue will be allocated on a proportionate basis to QIB Bidders out of which 5% shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% share in the QIB portion will also be eligible for allocation in the remaining QIB portion.
- However, if the aggregate demand by Mutual Funds is less than 5% of the QIB portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allotted proportionately to the QIB Bidders in proportion to their bids. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids received at or above the Issue Price.

- If at least 50% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Under-subscription, if any, in the Non-Institutional and Retail Individual categories would be allowed to be met with spill over inter-se from any of the other categories, or combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. However, if the aggregate demand by Mutual Funds is less than [●] Equity Shares, the balance Equity Shares from the portion specifically available for allocation to Mutual Funds in the QIB Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids.
- Allocation to NRI's, FIIs, Foreign Venture Capital Funds registered with SEBI applying on repatriation basis will be subject to the terms and conditions stipulated by the FIPB and RBI while granting permission for Issue / Allocation of Equity Shares to them.
- In terms of the SEBI Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.
- The BRLM, in consultation with us, shall notify the Syndicate Members of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
- Our Company in consultation with the BRLM, reserves the right to cancel the Issue any time after the Bid/Issue Opening Date but before allocation. If our Company withdraws the Issue, it shall issue a public notice that shall include reasons for such withdrawal within two days of the closure of the issue. The notice of withdrawal shall be issued in the same newspapers where the pre-Issue advertisements had appeared and our Company shall promptly inform the Stock Exchange about the same. If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of the Equity Shares, it shall file a fresh draft red herring prospectus with the SEBI.
- Our Company in consultation with the BRLM reserves the right to reject any Bid procured from QIB Bidders, by any or all of the Syndicate Members. Rejection of Bids by QIBs bidding in the QIB Portion, if any, will be made at the time of submission of the Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing.
- The allotment details shall be uploaded on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

Our Company, the BRLM, and the Syndicate Members shall enter into an Underwriting Agreement on finalization of the Issue Price and allocation(s) to the Bidders. After signing the Underwriting Agreement, we will update and file the Red Herring Prospectus with RoC, which then would be termed as 'Prospectus'. The Prospectus would have details of the Issue Price, Issue Size, the Anchor investor Issue Price, Underwriting arrangement and would be complete in all material respects. Our Company will file a copy of the Prospectus with the RoC in terms of Section 56, 60 and 60B of the Companies Act.

Filing of Red Herring Prospectus and Prospectus with RoC

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the RoC, Tamil Nadu, Chennai. A copy of the Prospectus required to be filed under Section 60 of the Companies Act would be delivered for registration to the RoC, Tamil Nadu, Chennai.

We will ensure that all the legal requirements applicable till the filing of the Prospectus with RoC are complied with.

Announcement of Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall after receiving final observations, if any, on the Red Herring Prospectus from SEBI, publish an advertisement, in the format prescribed in the SEBI ICDR Regulations in an English national daily with wide circulation, one Hindi National newspaper with wide

circulation, and a regional language newspaper with wide circulation at the place where the Registered Office of the Issuer is situated.

Advertisement regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement at the time of / after filing of Prospectus with RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price and the Anchor Investor Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allocation Note (CAN)

- Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Syndicate a list of the Bidders who have been Allotted Equity Shares in the Issue.
- The Registrar will then dispatch CANs to the Bidders who have been Allotted Equity Shares in the Issue.
- The dispatch of CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.
- The Issuance of CAN is subject to “Notice to Anchor Investors: Allotment Reconciliation and CANs” as set forth below.

Notice to Anchor Investors: Allotment Reconciliation and CANs

A physical book will be prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of our Company in consultation with the BRLM, selected Anchor Investors will be sent an Anchor Investor Allocation Notice and, if required, revised Anchor Investor Allocation Notice. All Anchor Investors will be sent Anchor Investor Allocation Notice post Anchor Investor Bid/Issue Period and in the event that the Issue Price is higher than the Anchor Investor Issue Price, the Anchor Investors will be sent a revised Anchor Investor Allocation Notice within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors should note that they shall be required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised Anchor Investor Allocation Notice within the pay-in date referred to in the revised Anchor Investor Allocation Notice. The revised Anchor Investor Allocation Notice will constitute a valid, binding and irrevocable contract (subject to the issue of CAN) for the Anchor Investor to pay the difference between the Issue Price and the Anchor Investor Issue Price and accordingly the CAN will be issued to such Anchor Investors. In the event the Issue Price is lower than the Anchor Investor Issue Price, the Anchor Investors who have been Allotted Equity Shares will directly receive CAN. The CAN shall be deemed a valid, binding and irrevocable contract for the Allotment of Equity Shares to such Anchor Investors.

The final allocation is subject to the physical application being valid in all respect along with receipt of stipulated documents, the Issue Price being finalised at a price not higher than the Anchor Investor Issue Price and Allotment by the Board of Directors.

Designated Date and Allotment of Equity Shares

Our Company will ensure that (i) the Allotment of Equity Shares and (ii) credit to the successful Bidder's depository account will be completed within 12 Working Days of the Bid/Issue Closing Date.

- 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 so allotted as per the provisions of the Companies Act and the Depositories Act.
- Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

BASIS OF ALLOTMENT

For Retail Individual Bidders

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allotment to all the successful Retail individual Bidders will be made at the Issue Price.

The Issue size less allocation to Non-Institutional Bidders and QIBs shall be available for allotment to Retail Individual Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares aggregating to Rs [●] Lakhs at or above the Issue Price, full allotment shall be made to the Retail Individual Bidders to the extent of their valid bids.

If the aggregate demand in this category is greater than [●] Equity Shares aggregating to Rs [●] Lakhs at or above the Issue Price, the allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares (being the minimum bid quantity) or in multiples of one Equity Share. Refer below for the method of proportionate basis of allotment.

For Non Institutional Bidders

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

The Issue size less allotment to QIBs and Retail Portion shall be available for allotment to Non-Institutional Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.

If the aggregate demand in this category is less than or equal to [●] Equity Shares aggregating to Rs [●] Lakhs at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares aggregating to Rs [●] Lakhs at or above the Issue Price then the allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares (being the minimum bid quantity) or in multiples of one Equity Share. Refer below for the method of proportionate basis of allotment.

For QIBs (other than Anchor Investors)

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allotment to all the QIBs will be made at the Issue Price.
- The QIB Portion shall be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion (excluding Anchor Investor Portion) shall be determined as follows:

- (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion (excluding Anchor Investor Portion), allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion (excluding Anchor Investor Portion).
- (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion (excluding Anchor Investor Portion) then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
- (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

(b) In the second instance Allotment to all QIBs shall be determined as follows:

- (i) In the event that the oversubscription in the QIB Portion (excluding Anchor Investor Portion), all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.
- (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders (excluding Anchor Investor Portion).
- (iii) Under-subscription below 5% of the QIB Portion (excluding Anchor Investor Portion), if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

The aggregate Allotment to QIB Bidders will be at least [●] Equity Shares.

For Anchor Investor Portion

Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of our Company in consultation with the BRLM, subject to compliance with the following requirements:

- (a) not more than 30% of the QIB Portion will be allocated to Anchor Investors;
- (b) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors;
- (c) allocation to Anchor Investors shall be on a discretionary basis and subject to a minimum number of two Anchor Investors for allocation up to Rs. 25,000 Lakhs and minimum number of five Anchor Investors for allocation more than Rs. 2,500 Lakhs.

The number of Equity Shares allocated to Anchor Investors and the Anchor Investor Issue Price, shall be made available in the public domain by the BRLM before the Bid/Issue Opening Date by intimating the same to the Stock Exchanges.

Method of Proportionate Basis of Allotment

In the event of the issue being over-subscribed, our Company shall finalize the basis of allotment to Retail Individual Bidders and Non-Institutional Bidders in consultation with the Designated Stock Exchange. The Executive Director or Managing Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrar to the issue shall be responsible for ensuring that the basis of allotment is finalized in a fair and proper manner. Allotment to the Bidders shall be made in the marketable lots on a proportionate basis as explained below.

Bidders will be categorized according to the number of Equity Shares applied for

The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, being the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, being the total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the oversubscription ratio.

If the proportionate allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the market lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. Allotment to all Bidders in such categories would be arrived at after such rounding off.

In all Bids, where the proportionate allotment is less than [●] Equity Shares per Bidder, the allotment shall be made as follows:

Each successful Bidder shall be allotted a minimum of [●] Equity Shares and the successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with details mentioned above.

If the Equity Shares allotted on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Subject to valid Bids being received, allocation of Equity Shares to Anchor Investors shall be at the sole discretion of our Company, in consultation with the BRLM.

Equity Shares in Dematerialized Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in dematerialized form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two tripartite agreements have been signed among our Company, the Depositories and the Registrar:

1. Tripartite agreement between the NSDL, our Company and the Registrar dated February 10, 2009.
2. Tripartite agreement between the CDSL, our Company and the Registrar June 17, 2009.

All bidders can seek allotment only in dematerialized mode. Bids from any investor without relevant details of his or her depository account are liable to be rejected. All Bids from any Bidder without the following details of his or her depository account are liable to be rejected:

A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of NSDL or CDSL prior to making the Bid.

The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's Identification number) appearing in the Bid cum Application Form or the Revision Form. Equity Shares allotted to a Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the depository account of the Bidder(s).

If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or the Revision Form, it is liable to be rejected.

The Bidder is responsible for the correctness of his or her demographic details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant. Equity Shares in electronic form can be traded only on the Stock Exchange having electronic connectivity with NSDL or CDSL. The trading of Equity Shares of our Company would only be in dematerialized form for all the investors in the demat segment of the Stock Exchange. Investors are advised to instruct their DP to accept the Equity Shares that may be allotted to them, pursuant to the Issue.

Communications

All future communication in connection with the Bids to be made for this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of Bid form, name and address of the Syndicate Member where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, bank account number in which the amount equivalent to the Bid Amount was blocked.

Bidders 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. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the Designated Branches of the SCSBs.

Pre-Issue and Post Issue Related Problems

We have appointed Mr. Balasubramanian Muthukumar, as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue related problems. He can be contacted at the following address:

Mr. Balasubramanian Muthukumar

Kabirdass Motor Company Limited,
Best Cast House,
No. 16, Poonamallee High Road,
Velappanchavadi,
Chennai- 600 077;
Tel. No.: +91 44 2680 0988;
Fax No.: +91 44 2680 1218;
Email: compliance@kabirdass.com

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: makes in a fictitious name, an application to a Company for acquiring or subscribing for, any shares therein, or

Otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”

Payment of Refund

Bidders other than the ASBA Bidders must note that on the basis of the names of the Bidders, Depository Participant's name, DP ID, beneficiary account number provided by them in the Bid cum Application Form, the Registrar will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition (MICR) code as appearing on a cheque leaf. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither our Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the BRLM shall be liable to compensate such Bidders for any losses caused to them due to any such delay or liable to pay any interest for such delay.

Mode of making refunds to Bidders other than ASBA Bidders

The payment of refunds, if any, for Bidders other than ASBA Bidders would be done through various modes in the following order of preference:

NECS: Payment of refunds would be done through NECS for applicants having an account at any of the centres 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 the centres where such facility has been made available, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS.

Direct Credit: Applicants having bank accounts with the Refund Bank(s), as mentioned in the Bid cum Application Form shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.

RTGS: Applicants having a bank account at any of the abovementioned centres and whose refund amount exceeds Rs. 5 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid cum Application Form.

In the event the same is not provided, refund shall be made through NECS and charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

NEFT: Payment of refund shall be undertaken through NEFT wherever the applicant's 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. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence, use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value up to Rs. 1,500 and through Speed Post / Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 9 working days of the Bid/Issue Closing Date.

Disposal of Applications and Application Moneys and Interest in Case of Delay

With respect to Bidders other than ASBA Bidders, our Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 12 working days of the Bid/Issue Closing Date.

In case of applicants who receive refunds through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 10 working days from the Bid/Issue Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 10 working days of the Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed are taken within 12 working days of the Bid/Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Guidelines, our Company further undertakes that:

Allotment of Equity Shares shall be made only in dematerialized form within 9 (nine) working days of the Bid/Issue Closing Date;

With respect to Bidders other than ASBA Bidders, 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 10 working days of the Bid/Issue Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidders' Bank Account shall be made within 9 working days from the Bid/Issue Closing Date.

Our Company shall pay interest at 15% p.a. for any delay beyond 10 working days from the Bid/Issue Closing Date 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 10 working days as mentioned above.

Letters of Allotment or Refund Orders or Instructions to SCSBs

Our Company shall give credit to the beneficiary account with Depository Participants within 12 Working Days from the Bid/Issue Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. Our Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500, by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk within 10 working days of the Bid/Issue Closing Date. Bidders to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 12 working days of the Bid/Issue Closing Date. In case of ASBA Bidders, the Registrar shall instruct the relevant SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 working days of the Bid/Issue Closing Date.

Procedure and Time Schedule for Transfer of Equity Shares

The Issue will be conducted through a "book building process" pursuant to which the Underwriters will accept bids for the Equity Shares during the Bidding Period. The Bidding Period will commence on [●] and expire on [●]. Following the expiration of the Bidding Period, our Company, in consultation with the BRLM, will determine the issue price, and, in consultation with the BRLM, the basis of allotment and entitlement to allotment based on the bids received and subject to the confirmation by the BSE. Successful bidders will be provided with a confirmation of their allocation and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The Prospectus will be filed with SEBI and the Registrar of Companies and will be made available to investors. SEBI ICDR Regulations require our Company to complete the allotment to successful bidders within 10 days of the expiration of the Bidding Period. The Equity Shares will then be credited and allotted to the investors' demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchange, the Equity Shares will be listed and trading will commence.

Interest in case of delay in Dispatch of Allotment Letters / Refund Orders / instruction to the SCSBs by the Registrar to the Issue

Our Company agrees that (i) Allotment of Equity Shares and (ii) credit to the successful Bidders' depository accounts will be completed within 9 working days of the Bid/Issue Closing Date. Our Company further agrees that it shall pay interest at the rate of 15% p.a. if the Allotment letters or refund orders have not been dispatched to the applicants or if in the case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within 10 working days from the Bid/ Issue Closing Date.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centre's will be payable by the Bidders.

Undertaking by our Company

Our Company undertake as follows:

- That the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
- That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange where the Equity Shares are proposed to be listed within 12 working days of the Bid/Issue Closing Date;
- That the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed under the heading “Mode of Making Refunds” in the section “Issue Procedure” on page 205 of this Draft Red Herring Prospectus shall be made available to the Registrar to the Issue by our Company;
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 10 working days of the closure of Issue, giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit of refund;
- That the certificate of securities / refund orders to the Eligible NRIs or FIIs shall be dispatched within specified time;
- That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount (ASBA) applications and to consider them similar to non-ASBA applications while finalizing the basis of allotment;
- That no further Issue of Equity Shares shall be made until the Equity Shares issued through this DRHP are listed or until the Bid monies are refunded on account of non-listing, under subscription etc;
- At any given time there shall be only one denomination for the shares of our Company;
- Our Company shall comply with such disclosures and accounting norms as specified by SEBI from time to time.

Utilization of Issue Proceeds

Our Board of Directors certify that:

- 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;
- Details of all monies utilized out of Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized;
- Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;

SECTION XI - RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

FOREIGN INVESTMENT IN INDIAN SECURITIES

Foreign investment in Indian securities is governed by the provisions of the FEMA read with the applicable FEMA Regulations and the Consolidated FDI Policy issued by the Department of Industrial Policy & Promotion, Government of India (Circular 1 of 2011, with effect from April 1, 2011). Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. FEMA regulates the precise manner in which such investment may be made. 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. As of now, the aggregate FII holding in our Company cannot exceed 24% of our total paid-up share capital.

FIIs are permitted to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

The transfer of shares 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 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 guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue. RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION – XII

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that the each provision herein below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

The Authorized Capital of our Company is Rs. 30,00,00,000 divided into 3,00,00,000 Equity Shares of Rs.10 each.

Shares, Certificates & Dematerialisation of Securities

Title of Article	No.	Contents
Certificates – How to be issued	16.	<p>The Certificate of title to shares shall be issued under the Seal of the Company and shall bear the signature of persons authorized by the Board in that behalf. The Company shall within three months after the allotment of shares, complete and deliver the certificates of shares allotted, unless the conditions of issue of shares otherwise provide. The Director may sign a share certificate by affixing his signature thereon by means of any machine equipment or other mechanical means such as engraving in metal or lithography. Provided always that notwithstanding anything contained in this Article, the certificates of title to shares may be executed and issued in accordance with such other provisions of the Act or the Rules made there under, as may be in force for the time being and from time to time.</p> <p>Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the company shall complete and deliver such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, subdivision, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder.</p>
Dematerialisation of Securities	17.	<p>1. Definition</p> <p>‘Beneficial Owner’ means a person or persons whose name is recorded as such with the depository.</p> <p>‘Depository’ means a Company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992.</p> <p>‘SEBI’ means the Securities and Exchange Board of India established under the Securities & Exchange Board of India Act, 1992.</p> <p>*“Deposit Act” means the Depositories Act, 1996 or any statutory modification or re-enactment thereof;</p> <p>*“Registered Owner” means a Depository whose name is entered as such in the records of the Company;</p>

Title of Article	No.	Contents
		<p>*“Security “means such Security, as may be a specified by the SEBI from time to time.</p> <p><i>* Amended at the EGM held on 16th January 2009.</i></p> <p>2. <u>Dematerialisation/ ReMaterialisation of Securities</u> Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities, rematerialise its securities and /or to offer securities for subscription in a dematerialised form pursuant to the Depositories Act, 1996.</p> <p>3. <u>Option for Investors</u> Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the security with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.</p> <p>If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its records the name of the allottee as the beneficial owner of the security.</p> <p>4. <u>Securities in Depositories in fungible form</u> All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.</p> <p>5. <u>Rights of Depositories and Beneficial Owner</u> Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner and absolute discretion deem necessary, expedient, usual or proper and to settle any question, doubt or difficulty that may arise in the matter, in the best interest of the Company.</p> <p>6. <u>Transfer of Securities</u> Nothing contained in Section 108 of the Companies Act, 1956 or these Articles shall apply to a transfer of securities effected by a transferor and transferee, both of whom are entered as beneficial owners in the records of a depository.</p> <p>7. <u>* Allotment of Securities dealt within a Depository</u> Notwithstanding anything contained in the Act, or these Articles, where a depository deals within or the securities, the Company shall intimate the details of allotment of relevant securities to the depository immediately on allotment of such securities.</p> <p>8. <u>* Distinctive Nos. of Securities held in a Depository</u> Notwithstanding in the Act, or these Articles regarding the necessity of having distinctive numbers for securities issued by the company shall not apply to securities held with a depository.</p> <p>9. <u>* Register and Index of beneficial owners</u> The Register and index of beneficial owners maintained by a Depository under the Depositories Act shall be deemed to be the Register and Index of members</p>

Title of Article	No.	Contents
		<p>and other security holders for the purpose of these Articles.</p> <p>10. * Right of Depositories and beneficial owners:</p> <p>(a) Notwithstanding anything contained in the Provisions of the Companies Act, 1956 and these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.</p> <p>(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.</p> <p>(c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be member of the company. The beneficial owners of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of their securities, which are held by the depository.</p> <p><i>* Amended at the EGM held on 16th January 2009.</i></p>
Member's right to Certificate	18.	Every member shall be entitled, free of charge, to one or more certificates in marketable lots for all the shares registered in his name. Every certificate of shares shall specify the number and the denoting number/numbers of the shares in respect of which it was issued and the amount paid up thereon. For each further certificate the Directors shall be entitled, but shall not be bound, to prescribe a charge not exceeding one rupee.
Fractional Certificates	19.	The Company may issue such fractional Certificate as the Directors may approve in respect of any of the shares of the Company on such terms as the Directors think fit as to the period within which the fractional certificate are to be converted into share certificates.
Issue of new certificate in place of one defaced, lost or destroyed	20.	<p>If any certificate be worn out or defaced or torn or be otherwise mutilated or there is no further space on the back thereof for endorsement of transfer, or destroyed then, upon production thereof to the Directors, they may order the same to be cancelled and may issue a new certificate in lieu thereof; and if any certificate be lost or destroyed, then, upon proof thereof to the satisfaction of the Directors and on such indemnity and the payment of out-of-pocket expenses incurred by the Company as the Directors deem adequate being given and upon such advertisement being published as the Board may require, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate.</p> <p>Such sum not exceeding two rupee as the Directors may from time to time prescribe shall be paid to the Company for every certificate issued under this clause. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised. 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.</p> <p>The provisions of this Article shall mutatis mutandis apply to debentures of the company.</p>
Issue of Certificates to joint holders	21.	The certificate of shares registered in names of two or more persons shall be delivered to the person first named in the Register.
The first name of joint holders deemed sole holder	22.	If any share stands in the names of two or more persons, the person first named in the Register shall as regards receipt of dividends or cash bonus, or service of notices or any other matter connected with the Company except voting at meetings and the transfer of the shares, be deemed the sole holder thereof but

Title of Article	No.	Contents
		the joint holders of a share shall be severally as well as jointly liable for, the payment of all installments and calls due in respect of such share and for all incidents thereof according to the provisions of the Act.

Share Warrants

Title of Article	No.	Contents
Issue of Share Warrants	23.	Notwithstanding anything to the contrary contained in these Articles, the Company may issue warrants to its Shareholders, whether or not carrying an option for conversions into shares, debentures, bonds or any other financial instrument on such terms and conditions as may be determined by the Members of the Company with such rights and privileges as may be permissible under the Act or applicable laws/guidelines.

Interest on Capital

Title of Article	No.	Contents
Interest on Capital	24.	<p>Subject to Section 208 and any other applicable provisions under the Act where any shares/warrants in the Company are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of the share capital as is for the time being paid up and charge the sum so paid by way of interest, to capital as part of the cost of construction of the work or building, or the provision of the plant.</p> <p>The Company may issue warrants towards interest on capital which would entitle the shareholders to subscribe to shares, debentures, bonds or such other financial instrument on terms and conditions as may be decided by the Board of Directors of the Company.</p>

Calls

Title of Article	No.	Contents
Calls	25.	The Directors, from time to time by resolution passed at a meeting of the Directors and not by a circular resolution, make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Each member shall pay the amount of every call so made on him to the persons and at the time and place appointed by the Directors. A call may be made payable by instalments and shall be deemed to have been made when the resolution of the Directors authorising such calls was passed.
Notice of Call	26.	At least thirty days notice of any call shall be given by the Company specifying the time and place of payment and to whom such call shall be paid, provided that before the time for payment of such call, the Directors may, by notice in writing to the members, revoke the same or extend the time for payment thereof.
Amount payable at Fixed times or by Installments payable as calls	27.	If by the terms of issue of any share or otherwise any amount is or becomes payable on allotment or at any fixed date or by installments at fixed times whether on account of the nominal 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 payable on the date on which by the terms of issue or otherwise such sum becomes payable and of which due notice has been given. In case of non-payment of such sum, all the relevant provisions herein contained as to payment of interest and expenses, forfeiture or otherwise shall apply as if such had become payable by virtue of a call duly made and notified
When interest on call or instalment payable	28.	If sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the installment shall be due, shall pay interest at such rate as the Directors may determine. The Directors may, however, in their absolute discretion waive payment of any interest.
Evidence in action for call	29.	On the trial or hearing of any action for the recovery of any money due for any call, it shall be sufficient to prove that the name of the member sued is entered in the Register as the holder or one of the holders, of the shares, in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given to the member sued, in pursuance of these presents and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made nor any other matters whatsoever and the proof of the matters aforesaid shall be conclusive evidence of the debt.
Partial payment not to preclude forfeiture	30.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided.
Payments of call in advance	31.	<p>The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.</p> <p>The members shall not be entitled to any voting rights in respect of the moneys</p>

Title of Article	No.	Contents
		so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall mutatis mutandis apply to the calls on debenture of the Company.
Members not entitled to privileges of membership until all calls are paid	32.	No Member shall be entitled to receive any dividend or exercise any privilege as a Member until such Member shall have paid all paid calls for the time being due and payable on every Share held by such Member, whether alone or jointly with any other Person together with interest and expenses, if any.

Forfeiture and Lien

Title of Article	No.	Contents
If call or instalment not paid, notice may be given	33.	If any member fails to pay any call or installment on or before the day appointed for the payment of the same, the Directors may at any time thereafter, during such time as the call or installment remains unpaid, serve a notice on such member requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
Form of notice	34.	The notice shall name a day (not being earlier than the expiry of thirty days from the date of service of the notice) and a place or places, on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of nonpayment on or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.
If notice not complied with, shares may be forfeited	35.	If the requisitions of any such notice as aforesaid are not complied with, any shares, in respect of which such notice has been given may, at any time thereafter, before payment on all calls or installments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
Notice of forfeiture	36.	When any share shall have been so forfeited, notice of the resolution of the Board of Directors 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, provided however, that the failure to give the notice will not in any way invalidate the forfeiture.
Forfeited Shares to become property of the Company	37.	Any shares so forfeited shall be deemed to be the property of the Company and the Directors may sell, re-allot and otherwise dispose off the same in such manner as they think fit.
Power of annul forfeiture	38.	The Directors may, at any time, before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof as a matter of grace and favour but not as of right upon such terms and conditions as they may think fit.
Arrears to be paid notwithstanding forfeiture	39.	Any member whose shares shall have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company 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 forfeiture until payment, at the rate of 12 percent per annum and the Directors may enforce the payment of such moneys or any part thereof if they think fit, but shall not be under any obligation so to do.
Effect of forfeiture	40.	The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demand against the Company in respect of the share and all other rights incidental to the same except only such of those rights as by these presents are expressly saved.
Certificate of forfeiture	41.	A certificate in writing under the hands of one Director and countersigned by the Secretary of the Company, that the call in respect of a share was made and notice thereof given and that default in payment of the call was made and that

Title of Article	No.	Contents
		the forfeiture of the shares was made by a resolution of the Board of Directors to that effect, shall be conclusive evidence of that fact stated therein as against all persons entitled to such share.
Title of purchaser and allottee of forfeited shares	42.	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and may execute transfer of the share in favour of the person to whom the share is sold or disposed off and the person to whom such share is sold, re-allotted or disposed off may be registered as the holder of the share; Any such purchaser or allottee shall not (unless by express agreement) be liable to pay any calls, amounts, installment, interest and expenses owing to the Company prior to such purchase or allotment nor shall he be entitled (unless by express agreement) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment. 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 affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.
Company's Lien on Shares	43.	The Company shall have no lien on its fully paid up shares. In the case of partly paid up shares, the Company shall have a lien only to the extent of all moneys called or payable at a fixed time in respect of such shares, otherwise such partly paid up shares shall be free from any lien of the Company. Any lien on shares shall extend to all dividend from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The Board of Directors may at any time declare any shares to be wholly or in part exempt from the provisions of this Article.
Enforcement of lien by sale	44.	For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as they think fit; but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell have been served as provided in Article 209 hereof on such member, his heirs, executors or administrators and default shall have been made by him or them in the payment, fulfillment, or discharge of such debts, liabilities, or engagements for seven days after such notice. To give effect to any such sale, the Board may authorise some person to execute an instrument of transfer in respect of the shares sold and to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as aforesaid, the certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate in lieu thereof to the purchaser or purchasers concerned.
Application of proceeds of sale	45.	The net proceeds of such sale shall be received by the Company and after payment of the cost of such sale shall be applied in or towards satisfaction of the debts, liabilities or engagements of such member and the residue if any, paid to him, his heirs, executors and administrators or assigns or other legal representative as the case may be.
Validity of sale in exercise of lien and after forfeiture	46.	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board of Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings nor to the application of the purchase money and after his name has been entered in the Register in respect of such shares, the validity of the sale and the entry in the Register in respect of the shares sold 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.
Board of Directors may issue new	47.	Where any shares, under the powers in that behalf herein contained, are sold by the Board of Directors after forfeiture or for enforcing a lien and the certificate in respect thereof has not been delivered up to the Company by the

Title of Article	No.	Contents
certificates		former holder of such shares, the Board of Directors may issue a new certificate of such shares distinguishing it in such manner as they may think fit from the certificate not so delivered.
Application of forfeiture provisions.	48.	The provisions of the Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of the issue of a share becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Transfer and Transmission

Title of Article	No.	Contents
Execution of transfer etc.	49.	No transfer of shares in or debenture of the Company shall be registered unless in accordance with the provisions of Section 108 of the Act and Article 51 hereof, a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the letter of allotment of the shares or debentures, provided the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect thereof.
Form of transfer	50.	The instrument of transfer of any share shall be in writing in the prescribed form and in accordance with Section 108 of the Act.
Notice to the transferee and the transferor of refusal to transfer shares	51.	If the Company refuses to register any such transfer or transmission of right, then the Company shall, within one month from the date on which the instrument of transfer or the intimation of such transmission as the case may be was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be.
No transfer to a person of unsound mind	52.	No transfer shall be made to a person of unsound mind.
Transfer deed to be left at office and evidence of title given when transfer to be retained	53.	Every instrument of transfer duly executed & stamped shall be left at the office of the Company for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares. All instruments of transfer which shall be registered, shall be retained by the Company, but any instrument of transfer which the Directors may decline to register shall on demand, be returned to the person depositing the same.
No charges to be levied	54.	There will be no charge levied by - the Company for : (a) registration of transfers of its shares, debentures, bonds. (b) sub-division and consolidation of share/debenture/bond certificates and for sub-division of letters of allotment and split, consolidation, renewal and pucca transfer receipts into denominations corresponding to the market unit of trading. (c) sub-division of renounceable letters of rights. (d) issue of new certificates in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfers has been fully utilised. (e) registration of any power of attorney, probate, letters of administration or similar other documents.
Closure of transfer books	55.	The Directors may, after giving not less than seven days previous notice by advertisement as required by Section 154 of the Act, close the Register of Members or the Register of the Debenture-holders for any period or periods not exceeding in the aggregate forty-five days in each year, but not exceeding thirty days at any one time.
Title to share of deceased holder	56.	The executors or administrators of a deceased member shall be the only persons recognised by the Company as having any title to his share except in case of joint holders, in which case the surviving holder or holders or the executors or administrators of the last surviving holder shall be the only

Title of Article	No.	Contents
		<p>persons entitled to be so recognised; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share jointly held by him.</p> <p>The Company shall not be bound to recognise such executor or administrator unless he shall have obtained probate or letters of administration or other legal representation, as the case may be, from a duly constituted Court in India to grant such probate or letters of administration, provided nevertheless that in cases, which the Board in its discretion consider to be special cases and in such cases only, it shall be lawful for the Board of Directors to dispense with the production of probate or letters of administration or such other legal representation upon such terms as to indemnity or otherwise as the Board of Directors may deem fit. The holder of succession certificate relating to the share of a deceased member and operative in the State of Delhi shall be deemed to be an administrator for the purposes of this article.</p>
Director's power to reject application of transfer	57.	Subject to the provisions of Section 111A of the Act and applicable provisions of Securities Contracts (Regulation) Act, 1956, the Board of Directors shall, have absolute and uncontrolled discretion and power to decline to register any proposed transfer or transmission of any shares without assigning any reasons whatsoever. This Article shall apply notwithstanding that the proposed transferee or the proposed holder under transmission may already be a member of the Company. Registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on the shares. Transfer of shares/debentures in whatever lot shall not be refused.
Registration of person entitled to share otherwise than by transfer (transmission clause)	58.	Subject to the provisions of the Act and these presents, any person becoming entitled to a share in consequence of death, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Directors (which they shall not be under any obligation to give), upon producing such evidence 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, he shall testify the election by executing to his nominee an instrument of transfer of the share in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the share.
Persons entitled may receive dividends without being registered as members	59.	A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or moneys as hereinafter provided, be entitled to receive, and may give a discharge for, any dividends or other moneys payable in respect of the share.
Board may require evidence for transmission	60.	Every transmission of share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until and unless an indemnity be given to the company with regard to such registration which the Directors in their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.
Transfer by legal representative	61.	A transfer of the share in the Company of 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.
Nomination	62.	<p>Every holder of shares or debentures may, at any time nominate, in the prescribed manner, a person to whom his shares, or debentures shall vest in the event of his death. If the shares are held jointly, the joint holders, may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures shall vest in the event of death of all the joint holders.</p> <p>Notwithstanding anything contained in any other law for the time being in</p>

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		<p>force or in any disposition, whether testimony or otherwise, in respect of such shares or debentures, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares or debentures, the nominee shall, on the death of the joint holders become entitled to all the rights in such shares or debentures or as the case may be, all the joint holders, in relation to such shares or debentures to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.</p> <p>Where the nominee is a minor, it shall be lawful for the holder of the shares, or debentures to make the nomination to appoint in the prescribed manner any person to become entitled to shares or debentures, in the event of his death, during the minority.</p>
Certificate of Transfer	63.	The certification by the Company of any instrument of transfer of shares in or debentures of the Company, shall be taken as a representation by the Company to any person acting on the faith of the certification that there have been produced to the Company such documents as on the face of them show a prima facie title to the shares or debentures in the transferor named in the instrument of transfer but not as a representation that the transfer has any title to the shares or debentures.
Transfer of debentures	64.	The provisions of these Articles shall mutatis mutandis apply to the transfer of or the transmission by operation of law of the right to Debentures of the Company.

Increase, Reduction and Alteration of Capital

Title of Article	No.	Contents
Power to increase capital	66.	The Company in General Meeting may from time to time by Ordinary Resolution, increase the capital by the creation of new shares of such amount as it thinks expedient.
Conditions for issue of new shares	67.	The new shares shall be issued on such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting, resolving upon the creation thereof, shall direct and if no direction be given, as the Directors shall determine; and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a Special or without any right of voting.
Further issue of Shares	68.1.	<p>Where at the 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 either out of the unissued capital or out of the increased share capital then:</p> <p>(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 near as circumstances admit, to the capital paid up on those shares at the date.</p> <p>(b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined.</p> <p>(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) hereof 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.</p> <p>(d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose off them in such manner and to such person(s) as they may think, in their sole discretion, fit.</p>

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	68.2.	<p>Notwithstanding anything contained in sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.</p> <p>(a) If a special resolution to that effect is passed by the company in General Meeting, or</p> <p>(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 the general meeting (including the casting vote, if any, of the Chairman) by the 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.</p>
	68.3.	<p>Nothing in sub-clause (c) of (1) hereof shall be deemed ;</p> <p>(a) To extend the time within which the offer should be accepted; or</p> <p>(b) To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.</p>
	68.4.	<p>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.</p> <p>(i) To convert such debentures or loans into shares in the company; or</p> <p>(ii) To subscribe for shares in the company (whether such option is conferred in these Articles or otherwise).</p> <p>Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term.</p> <p>(a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and</p> <p>(b) In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in the behalf, has also been approved by a special resolution passed by the company in General Meeting before the issue of the debentures or raising of the loans.</p>
Shares at the disposal of the Directors	69.	<p>Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such 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 shares and if so issued, shall be deemed to be fully paid shares. Provided, that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.</p>
Ranking of new shares	70.	<p>Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions of these presents.</p>
Reduction of capital	71.	<p>The Company may, from time to time by Special Resolution subject to confirmation by the Court and subject to the provisions of Sections 100 to 104</p>

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		of the Act, reduce (a) its share capital or (b) any capital reduction reserve account or (c) any share premium account, and in particular without prejudice to the generality of the power, may, (i) extinguish or reduce the liability on any of its shares in respect of share capital not paid up, or (ii) either with or without extinguishing or reducing the liability on any of its shares, cancel any paid up share capital which is lost or is un-represented by available assets, or (iii) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up share capital which is in excess of the wants of the Company.
Alteration of capital	72.	The Company in General Meeting may, by ordinary resolution: (i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (ii) convert all or any of its fully paid up shares into stock and reconvert that stock into fully paid up shares of any denomination; (iii) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; (iv) cancel shares which, at the date of the passing of the resolution in that behalf, 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.
Issue of further pari passu shares not to affect the right of shares already issued	73.	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

Borrowing Powers

Title of Article	No.	Contents
Power to borrow	75.	Subject to the provisions of Sections 292 and 293 of the Act, the Board of Directors may from time to time by a resolution passed at a Meeting of the Board, accept deposits from members, either in advance of calls or otherwise and may generally raise or borrow or secure the payment of any sum or sums of money for the Company. Provided, however where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the Ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board of Directors shall not borrow such moneys without the consent of the Company in General Meeting.
Conditions for repayment of money's borrowed	76.	The payment or repayment of moneys borrowed pursuant to Article 75 of these presents may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit including by the issue of debentures or debenture stock of the Company charged upon all or any part of the undertakings or property of the Company (both present and future) and its uncalled share capital for the time being pursuant to a resolution passed at the meeting of Board of Directors but not by its circular resolution.
Debentures and securities to be subject to control of Directors	77.	Any debentures, debenture stock, bonds or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.
Terms of issue of debentures	78.	Any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall

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		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 the General Meeting, appointment of Directors and otherwise. Debentures with the right of conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.
Mortgage of uncalled capital	79.	If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Board of Directors shall, subject to the provisions of the Act and these presents, make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed or, if permitted by the Act, may, by instrument under the Company's Seal, authorise the person in whose favour such mortgage or security is executed or any other person in trust for him, to make calls on the members in respect of such uncalled capital, and the provisions hereinbefore contained in regard to calls shall, mutatis mutandis, apply to calls made under such authority, and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Board's power or otherwise, and shall be assignable if expressed so to be.
Priority over charge on uncalled capital	80.	Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge and shall not be entitled by notice to the shareholders or otherwise, to obtain priority over such prior charge.
Indemnity may be given	81.	If the Directors or any of them or any other persons shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

Meetings

Title of Article	No.	Contents
Annual General Meeting	82.	The Annual General Meeting shall be held in accordance with Section 166 of the Act and shall be called for a time during business hours on a day that is not a public holiday and shall be held either at the Registered Office of the Company or at such place as the Board of Directors may determine and the notices calling the meeting shall specify it as the Annual General Meeting.
Right to attend General Meetings	83.	Every member of the Company shall be entitled to attend every general meeting either in person or by proxy, and the Auditor of the Company shall have the right to attend and to be heard at any general meeting on any part of the business, which concerns him as Auditor.
Reports, Statements and Registers to be laid on the table.	84.	At every Annual General Meeting of the Company, there shall be laid on the table the Directors' Report (if not already incorporated in the audited Statement of Accounts), the proxies lodged and the Register of Directors' holdings maintained under Section 307 of the Act. The Auditors' Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.
Extraordinary General Meetings	85.	All general meetings other than Annual General Meetings shall be called Extraordinary General Meetings.
Right to call an Extraordinary General Meeting	86.	The Board may, whenever it thinks fit, call an Extraordinary General Meeting. If at any time they are not within India, Directors capable of acting who are sufficient in number to form a quorum, any Director or such number of members as specified under the Act, may call an Extraordinary General Meeting in the same manner, as that in which such a meeting may be called by the Board at such time and place as he or they may determine.
Calling of Extraordinary General Meeting	87.	The Board of Directors of the Company shall, on the requisition of such number of members of the company as is specified in sub-section (4) of Section 169 of the Act, forthwith proceed duly to call an Extraordinary General

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on requisition.		Meeting of the Company, and in respect of any such requisition and of any meeting to be called pursuant thereto, all the other provisions of Section 169 of the Act and of any statutory modification thereof for the time being shall apply.
Notice of Meeting	88.	<p>A general meeting of the Company may be called by giving not less than 21 days' notice in writing. However, a general meeting may be called after giving a shorter notice than that of 21 days, if consent is accorded thereto.</p> <p>(a) in the case of an Annual General Meeting, by all the members entitled to vote thereat; and</p> <p>(b) in the case of any other meeting, by members of the Company holding not less than 95 percent of such part of the paid up share capital of the Company as gives them a right to vote at that meeting:</p> <p>Provided that where any members of the Company are entitled to vote only on some resolutions or resolution to be passed at the meeting and not on the others, those members shall be taken into account for the purpose of this Article in respect of the former resolution or resolutions but not in respect of the latter.</p>
Contents of Notice	89.	Every notice of a meeting of the Company shall specify the place, the date and hour of the meeting, and shall contain in a statement of the business to be transacted thereat. No general meeting, annual or extraordinary, shall be competent to enter upon, discuss or transact any business which has not been specifically mentioned in the notice or notices upon which it was convened.
Special Business	90.	<p>(a) In the case of an Annual General Meeting all business to be transacted at the meeting shall be deemed Special, with the exception of business relating to:-</p> <p>(i) the consideration of the accounts, Balance Sheet and Profit and Loss Account and the Report of the Board of Directors and of the Auditors,</p> <p>(ii) the declaration of dividend,</p> <p>(iii) the appointment of Directors in the place of those retiring,</p> <p>(iv) the appointment and the fixing of the remuneration of the Auditors.</p> <p>In the case of any other meeting all business shall be deemed Special.</p> <p>(b) Where any items of business to be transacted at the meeting are deemed to be Special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts regarding each such item of business including in particular the nature and extent of the interest, if any, therein of every Director and the Managing Director, if any, of the Company;</p> <p>Provided, that where any item of Special business as aforesaid to be transacted at a meeting of the Company related to, or affects any other company, the extent of shareholding interest in that other company, of every Director and the Managing Director, if any, of the first mentioned Company shall also be set out in the statement, if the extent of such shareholding interest is not less than twenty percent of the paid-up share capital of that other company.</p> <p>(c) Where any item of business consists of the according of approval to any document by the meeting, the time and place when the document can be inspected shall be specified in the statement aforesaid.</p>
Service of Notice	91.	Notice of every meeting shall be given to every member of the Company as provided in Section 53 of the Act.
Notice to be given to the	92.	Notice of every meeting of the Company shall be given to the Auditor or Auditors for the time being of the Company, in the manner provided in

Title of Article	No.	Contents
Auditors		Section 53 of the Act.
Omission to give notice not to invalidate meeting	93.	The accidental omission to give notice of any meeting to or the non-receipt of any notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting
Resolution requiring Special Notice	94.	Where by any provision contained in the Act or in these presents, Special Notice is required of any resolution, notice in respect of the same shall be given to the Company and by the Company as provided in Section 190 of the Act.

Proceedings at General Meetings

Title of Article	No.	Contents
Business at an Annual General Meeting	95.	The business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet and the Reports of the Directors and of the Auditors, to elect Directors in place of those retiring, to appoint Auditors and to fix their remuneration, to declare dividends and to transact any other business which, under these presents, ought to be transacted at an Annual General Meeting.
Special business	96.	All other business transacted at an Annual General Meeting and all business transacted at an Extraordinary General Meeting shall be deemed Special.
Quorum	97.	Five members present in person shall be a quorum for a General Meeting and no business shall be transacted at any General Meeting, unless the quorum requisite be present at the commencement of the business.
Chairman of General Meetings	98.	<p>The Chairman of the Board of Directors or in his absence the Vice-Chairman of the Board shall, if willing, preside as chairman at every General Meeting, Annual or Extraordinary. If there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or being present declines to take the chair, the Directors present may choose one of their number to be Chairman and in default of their doing so, the members present shall choose one of their Directors to be Chairman and if no Director present be willing to take the Chair, shall on a show of hands, elect one of their member to be Chairman of the meeting.</p> <p>If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and these presents and the Chairman elected on show of hands shall exercise all the powers of the Chairman under the said provisions. If some other person is elected as Chairman as a result of the poll, he shall be the Chairman for the rest of the meeting.</p>
Lack of quorum	99.	If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon such requisition as aforesaid, shall be dissolved but in any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day, time and place, as the Directors may by notice to the shareholders appoint. If at such adjourned meeting a quorum is not present those members who are present shall be a quorum and may transact the business for which the meeting was called.
Business confined to election of Chairman while Chair vacant	100.	No business shall be discussed at any General Meeting except election of a Chairman while the Chair is vacant.
How questions to be decided at meetings	101.	Every question submitted to a meeting shall be decided, in the first instance, by a show of hands and in the case of an equality of votes, the Chairman shall, both on a show of hands and on a poll have a casting vote in addition to the vote to which he may be entitled as a member.
Voting by show of hands	102.	At any General Meeting, a resolution put to the vote of the meeting shall, unless a poll is demanded be decided on a show of hands.

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Result of voting: decision of Chairman	103.	A declaration by the Chairman 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 books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.
Demand for Poll	104.	(1) 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 of 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 share 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 any aggregate sum of not less than fifty thousand rupees has been paid-up. (2) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
Time of taking of Poll	105.	Any poll duly demanded on the question of adjournment shall be taken forthwith. A poll demanded on any other question (not being a question relating to the election of a Chairman) shall be taken at such time not exceeding 48 hours from the time when the demand was made, as the Chairman may direct.
Power to adjourn a General Meeting	106.	The Chairman of a General Meeting, may with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
Business may proceed notwithstanding demand for Poll	107.	The Demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
Scrutinisers at Poll	108.	<ol style="list-style-type: none"> Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinisers to scrutinise the votes given on the poll and to report thereon to him. The Chairman shall have power, at any time before the result of the poll is declared to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or from any other cause. Of the two scrutineers, one 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.
Manner of taking Poll and result thereof	109.	<ol style="list-style-type: none"> The Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken. The result of the poll shall be deemed to be decision of the meeting on the resolution on which the poll was taken.
Chairman to be sole judge of the validity of the vote at meeting and poll	110.	The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of all polls shall be the sole judge of the validity of every vote tendered at such poll.
Right of member to use his vote	111.	On a poll taken at meeting of the Company, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
Resolution passed at adjourned meeting	112.	Where a resolution is passed at an adjourned meeting of the Company, the resolution shall, for all purposes, be 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

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		any earlier date.
Reports, Statements and Registers to be laid on the table	113.	At every Annual General Meeting of the Company, there shall be laid on the table the Directors' Report, Audited Statements of Accounts, Auditor's Report (if not already incorporated in the Audited Statements of Accounts), the Proxy Register with proxies and the Register of Directors' holdings.
Minutes of General Meetings	114.	The Company shall cause minutes of the proceedings of every general meeting to be entered in the book kept for that purpose and the minutes shall contain and include the matters specified in Section 193 of the Act.
Inspection of Minutes book of General Meetings	115.	The books containing the aforesaid minutes shall be kept at the Registered Office of the Company and be open to inspection of any member without charge as provided in Section 196 of the Act. Any member shall be furnished with a copy of any minutes in accordance with the terms of that section.
Votes may be given by proxy or attorney	116.	Subject to provisions of the Act and these presents, votes may be given personally or by attorney duly authorised under power of attorney or by proxy or in case of a body corporate also by a representative duly authorised under Section 187 of the Act or by proxy of such representative of the body corporate.

Voting Rights

Title of Article	No.	Contents
Votes of members	117.	<ol style="list-style-type: none"> 1. Every member, who being an individual, is present in person or being a corporation, is present by a representative, shall have one vote on a show of hands. 2. Every member who being an individual is present in person or by a proxy or by attorney duly authorised under power of attorney, or being a Corporation is present by a representative or his proxy shall, on a poll, have a voting right in proportion to his share of the paid up equity capital of the Company.
No voting by proxy on show of hands	118.	No member not personally present shall be entitled to vote on a show of hands unless such member is present by attorney duly authorised under power of attorney or unless such member is a body corporate present by a representative duly authorised under Section 187 of the Act in which case such attorney or representative may vote on a show of hands as if he were a member of the Company.
Votes in respect of shares acquired by transmission	119.	Any person entitled under the Transmission Clause to any shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such share, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting as the case may be, at which he proposes to vote he shall satisfy the Board of Directors of his right to Transmission of such shares, unless the Directors shall have previously admitted his right to Transmission of such shares or his right to vote at such meeting in respect thereof.
Instrument appointing proxy	120.	The instrument appointing a proxy shall be written under the hand of the appointer or his attorney duly authorised in writing or, if such appointer is a corporation, under his common seal or the hand of an officer or an attorney duly authorised by it. A person may be appointed a proxy though he is not a member of the Company, but such proxy shall not have any right to speak at any meeting.
Member's right to appoint Proxy to be stated in Notice	121.	Every notice convening a meeting of the Company shall state that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of him and that a proxy need not be a member of the Company.
Instrument appointing Proxy to be deposited at Office.	122.	The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the

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		meeting at which the person named in the instrument proposes to vote in case of a poll and in default the instrument of proxy shall not be treated as valid.
When vote by proxy valid, though authority revoked	123.	A vote in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the Principal or revocation of the proxy or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, revocation or transfer shall have been received at the office of the Company or by the Chairman of the meeting before the vote is given.
Form of Proxy	124.	Every instrument of proxy, whether for a specified meeting or otherwise shall as nearly as circumstances will admit, be in the form specified in Schedule IX of the Act.
Time and place to inspect the proxies lodged	125.	Every member entitled to vote at a meeting of the Company according to the provisions of these presents on any resolution to be moved thereat, shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three days' notice in writing of the intention so to inspect is given to the Company.
No member entitled to vote etc. while call due to Company	126.	No member shall be entitled to vote either personally or by proxy at any General Meeting of a class of shareholders either upon a show of hands or on poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

Directors

Title of Article	No.	Contents
First Directors	127.	The first Directors of the Company shall be: <p style="text-align: center;">1. Mr. Murali Kabirdass</p> <p style="text-align: center;">2. Mr. Manohar Kabirdass</p>
Increase in the number of Directors	128.	Until otherwise determined by the Company in a General Meeting and subject to the provisions of Sections 252 and 259 of the Act, the total number of Directors shall not be less than three not more than twelve.
Power of Directors to appoint additional Director	129.	The Directors shall have power at any time and from time to time, to appoint any other person or persons as a Director or Directors, either to fill a casual vacancy or as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed. But any Additional Director (s) so appointed shall hold office only until the next following Annual General Meeting of the Company and shall then be eligible for re-election
Nominee Directors of Financial Institution(s)	130.	In case the Company obtains any loans/other facilities from Financial Institution(s) and it is a term thereof that the said Financial Institution(s) shall have a right to nominate one or more Directors, then subject to such terms and conditions as may be agreed upon, the said Financial Institution(s) shall be entitled to nominate one or more Directors, as the case may be, on the Board of Directors of the Company and to remove from office any such Directors so appointed and to nominate another in his place or in place of the Director so appointed who resigns or otherwise vacates his office. Any Director so appointed shall not be liable to retire by rotation. Any such nomination shall be in writing and shall be signed by the authority so appointing or by the person duly authorised by it and shall be served at the office of the Company.
No qualification shares	131.	No Director shall be required to hold any share or qualification shares of the Company.
Remuneration of Director	132.	1. The maximum remuneration of Director for his services shall be such sum, as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Director attended

Title of Article	No.	Contents
		<p>by him. The Directors shall also be paid any traveling, hotel and boarding expenses incurred to attend Director's or Committee meeting.</p> <p>2. The Directors may offer and pay to any Director who is not a bonafide resident of the place where a meeting is held and who shall come to such place for the purpose of attending a meeting, such sum as the Directors may consider fair compensation for traveling, hotel and other expenses in addition to his remuneration as above specified and the Directors may from time to time fix the remuneration to be paid to any member or members of their body constituting a committee appointed by the Directors in terms of these presents and may pay the same.</p>
Remuneration for extra services	133.	If any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing abroad or otherwise for any of the purposes of the Company, the Company shall remunerate such Director, in such manner as may be determined by the Board of Directors and such remuneration may be in addition to the fee payable to him under the preceding article. Attendance at a Board Meeting or Committee Meeting at the Registered Office of the Company shall not be deemed to be extra service or special exertion within the meaning of this Article.
Directors may act notwithstanding vacancy	134.	The continuing Directors or Director may act notwithstanding any vacancy in the Board but, so that, if their number falls below the minimum above fixed, the Directors or Director shall not except for the purpose of filling vacancies or summoning a General Meeting, act so long as the number is below the minimum.
When Office of Director to be vacated	135.	<p>1. Subject to the provisions of Section 283(2) of the Act the office of Director shall become vacant if :</p> <ul style="list-style-type: none"> a) he is found to be of unsound mind by a Court of competent jurisdiction; or b) he applies to be adjudicated as an insolvent; or c) he applies to be adjudicated as an insolvent; or d) he fails to pay any call made on him in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government has, by notification in the Official Gazette, removed the disqualification incurred by such failure; or e) any office or place of profit under the Company or any subsidiary thereof is held by him in contravention of Section 314(1) of the Act; or f) he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board of Directors for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board of Directors; or g) he becomes disqualified by an Order of the Court under Section 203 of the Act; or h) he is removed in pursuance of this Articles and Section 284 of the Act; or i) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is a partner or any company of which he is a director, accepts a loan, or any guarantee or security for

Title of Article	No.	Contents
		<p>a loan, from the Company in contra-vention of Section 295 of the Act; or</p> <p>j) he acts in contravention of Section 299 of the Act; or</p> <p>k) he is convicted by a Court for any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months; or</p> <p>l) he having been appointed a Director by virtue of his holding any office or other employment in the Company, ceases to hold such office or other employment in the Company.</p>
Disqualification of Director	136.	<p>2. A person shall not be capable of being appointed Director of a Company if such person is already a director of a public company which,-</p> <p>a) has not filed the annual accounts and annual returns for any continuous three financial years commencing on and after the first day of April, 1999; or</p> <p>b) has failed to repay its deposit or interest thereon on due date or redeem its debentures on due date or pay dividend and such failure continues for one year or more; Provided that such person shall not be eligible to be appointed as a Director of any other public company for a period of five years from the date on which such public company in which he is a director failed to file annual accounts and annual returns under sub-clause (a) or has failed to repay its deposit or interest or redeem its debentures on due date or pay dividend referred to in clause (b).]</p> <p>Any exceptions provided under the Act, or by way of Government Notifications or Amendments to the Act, from time to time, will be applicable here.</p> <p>3. Subject to the provisions of the Act a Director may resign from his office at any time by notice in writing addressed to the Company or to the Board of Directors.</p>
Directors may contract with the Company	137.	<p>1. A Director or his relative, a firm in which such Director or relative is a partner, any other person in such firm or a private company of which the Director is a member or Director, may enter into any contract with the Company for the sale, purchase or supply of any goods, materials or services or for underwriting the subscription of any shares in or debentures of the Company, provided that in the case of the Company having a paid up Capital of not less than Rupees One Crore no such contract shall be entered into except with the previous approval of the Central Government and the sanction of the Board shall be obtained before or within three months of the date on which the contract is entered into in accordance with Section 297 of the Act.</p> <p>2. No sanction, however, shall be necessary for</p> <p>a) any purchase of goods and materials from the Company or the sale of goods or materials to the Company, by any such Director, relative, firm, partner or private company as aforesaid for cash at prevailing market price; or</p> <p>b) any contract or contracts between the Company on one side</p>

Title of Article	No.	Contents
		<p>and any such Director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company or the Director, relative, firm, partner or private company, as the case may be, regularly trades or does business where the value of the goods and materials or the cost of such services do not exceed Rs 5,000/- in the aggregate in any year comprised in the period of the contract or contracts.</p> <p>Provided that in circumstances of urgent necessity, the Company may without obtaining the consent of the Board enter into any such contract or contracts with the Director, relative, firm, partner or private company even if the value of such goods or materials or the cost of such services exceeds Rs 5,000/- in the aggregate in any year comprised in the period of the agreement, if the consent of the Board shall be obtained to such contract or contracts at a meeting within three months of the date on which the contract was entered into</p> <p>3. A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement entered into or a proposed contract or arrangement to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299(2) of the Act. A general notice given to the Board by the Director to the effect that he is a Director or Member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.</p>
Interested Directors not to participate or vote in Board's proceedings	138.	<p>No Director shall as a Director take any part in the discussion of, or vote on, any contract or arrangement entered into, or to be entered into, by or on behalf of the Company, if he is in any way, directly or indirectly, concerned or interested in the contract or arrangement nor shall his presence count for the purpose of forming a quorum at the time of any such discussions or vote; and if he does vote, his vote shall be void;</p> <p>Provided that this prohibition shall not apply</p> <ol style="list-style-type: none"> 1) to any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or a surety for the Company; 2) to any contract or arrangement entered into or to be entered into with a public company, or a private company which is a subsidiary of a public company in which the interest of the Director aforesaid consists solely (i) in his being a director of such company and the

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		holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a director thereof, he having been nominated as such director by the company referred to herein or (ii) in his being a member holding not more than two percent of the paid up share capital of such company; 3) in case a notification is issued under subsection (3) of Section 300 of the Act to the extent specified in the notification.
Register of contracts in which Directors are interested	139.	The Company shall keep a Register of all contracts or arrangements in which any Director is interested or concerned as required by Section 301 of the Act.
Director may be a director Of companies promoted by the Company	140.	A Director of this Company may be or become a director of any company promoted by this Company or in which it may be interested as a vendor, purchaser, shareholder or otherwise and no such Director shall be accountable for any benefits received as director or member of such company.

Rotation of Directors

Title of Article	No.	Contents
Retirement of Directors by Rotation	141	1) Not less than two-thirds of the total number of Directors of the Company shall be persons whose period of Office is liable to determination for retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles, be appointed by the Company in General Meeting, and 2) The remaining directors shall be appointed in accordance with the provisions of this article.
Retirement of one-third of Directors	142.	At the First Annual General Meeting of the Company held next after the date of the general meeting at which the first directors are appointed and at every subsequent annual general meeting, one third of such of the directors for the time being are liable to retire by rotation or if their number is not three or a multiple of three, then the number nearest to one third, but not exceeding one third shall retire from office.
Ascertainment of Directors retiring by rotation and eligibility for re-appointment	143.	Subject to Section 284(5) of the Act, the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. A retiring Director shall retain office until the conclusion of the meeting at which his re-appointment is decided or his successor is appointed. The retiring Director shall be eligible for re-appointment.
Company to appoint Successors	144.	Subject to the provisions of the Act, at the Annual General Meeting at which a Director retires in the manner aforesaid, the members present at the meeting may fill up the vacated office by electing the retiring Director or some other person thereto.
Provisions in default of Appointment	145.	A. If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy the meeting shall stand adjourned till the same day in the next week at the same time and place, or if that day is public holiday, till the next succeeding day which is not a public holiday, at the same time and place. B. If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not

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		<p>to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless.</p> <ul style="list-style-type: none"> a) at the meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost; b) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so reappointed; c) he is not qualified or is disqualified for appointment. d) a resolution whether special or ordinary, is required for the appointment or re-appointment by virtue of any provisions of the Act, or e) the provision to sub-section (2) of Section 263 of the Act is applicable to the case.
Single Resolution for appointment of several directors prohibited	146.	At a general meeting of the Company, a motion shall not be made for the appointment of two or more persons as Directors of the Company by a single Resolution, and the provisions of Section 263 of the Act in this behalf shall apply in all respects.
Company may increase or reduce the number of Directors	147.	Subject to Sections 255 and 259 of the Act, the Company may, by ordinary resolution, from time to time, increase or reduce the number of Directors, within the limits fixed in that behalf by these presents.
Removal of Directors	148.	Subject to the provisions of Section 284 of the Act the Company may remove any Director before the expiration of his period of office and appoint another person instead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.
Notice of candidature for Office of Director	149.	<ul style="list-style-type: none"> I. Subject to the provisions of the Act and these presents any person who is not a retiring Director shall be eligible for appointment to the office of Director at any general meeting, if he or some member intending to propose him has, not less than fourteen days before the meeting left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office as the case may be. II. Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 257 signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign, and file with the Company, his consent in writing to act as a Director, if appointed. III. A person other than <ul style="list-style-type: none"> a) a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office; or

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		<p>b) an additional or alternate Director or a person filling a casual vacancy in the office of a Director under Section 262 of the Act, appointed as a Director or re-appointed as an additional or alternate Director, immediately on the expiry of his term of office; or</p> <p>c) a person named as a Director of the Company under its Articles as first registered shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.</p>

Proceedings of Directors

Title of Article	No.	Contents
Proceedings of Directors	150.	<p>a) The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they may think fit.</p> <p>b) A meeting of the Board of Directors shall be held at least once in every three months and at least 4 such meetings shall be held in every year.</p> <p>c) A Director may and the Secretary on the requisition of a Director shall at any time summon a meeting of the Board.</p> <p>d) Notice of every meeting of Directors, together with a written agenda for such Meeting, shall be given in writing at least seven business days before the date on which the Meeting is proposed to be held to (i) every Director; (ii) all Alternate Directors for the time being in India and (iii) every other Director, in each case at his usual or appointed address provided that any meeting of the Board can be convened by a shorter notice in case of urgency or emergency or warranted by special circumstances. In respect of any such Board meeting to be convened at shorter notice, the agenda for such meeting shall be sent within the time limit set out by the Directors at the time of recording their consent for such meeting.</p> <p>e) The meetings of the Board will be held at a place mutually decided upon by the Directors provided that, if and when permitted by the Act, meetings of the Board may be generally held at Chennai or at a place mutually decided upon by the Directors, having given due regard to ease of access of the Directors to such meetings of the Board. All meetings of the Board shall be attended in person; provided that, if and when permitted by the Act, meetings may be attended by telephone conference call or video conferencing where each Director participating in the meeting can hear all other Directors participating in the meeting.</p>
Quorum	151.	Subject to Section 287 of the Act, the quorum for a meeting of the Board shall be one third of its total strength excluding Directors, if any, whose places may be vacant at the time (any fraction contained in that one third being rounded off as one), or two Directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of remaining Directors, i.e. to say, the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time.

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		In case of failure to hold a meeting on account of an insufficient Quorum, the meeting shall stand adjourned until the same day at the same time in the following week or some other later date as decided by the Directors present and notice thereof shall be given to all of the Directors.
Affirmative Voting	152.	I. Any action to be taken by the Board or any Committee(s) of the Board shall be duly and validly taken by resolution adopted by the affirmative vote of a majority of the Directors present at a meeting at which a Quorum is present.
Chairman	153.	The Board of Directors will mutually elect a Chairman from amongst the Directors who may or may not be a whole-time Director of the Company. The Chairman shall hold office for such time as the Board stipulates at the time of appointment. If no Chairman is appointed or if at any meeting of the Board, the Chairman is not present at the time appointed for holding such meeting, the Directors present shall, only for the purposes of such meeting, choose one of their number to chair such meeting.
Powers of Directors when quorum present	154.	A Meeting of the 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 these presents are for the time being vested in or exercisable by the Directors generally.
Directors may appoint Committee and delegate powers	155.	Subject to the provisions contained in Section 292 of the Act, the Board of Directors may appoint an executive or other Committee or Committees consisting of such members, of its body as it thinks fit to delegate any of their powers to such committee or committees and the Board may from time to time revoke and discharge any such Committee or Committees of the Board either wholly or in part and either as to persons or purposes, but every Committee of the Board so formed shall, in the exercise of the power so delegated, conform to any regulations that may from time to time be imposed on it by the Board of Directors. All acts done by any such committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board, subject to the provisions of the Act and to the approval of the Company in General Meeting. The Board of Directors may from time to time fix the remuneration to be paid to any member or members of their body constituting a committee appointed by the Board in terms of these presents, and may pay the same.
Meetings of Committees	156.	The meetings and proceedings of such Committee of the Board consisting of two or more members shall, be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.
Acts of Board or Committee valid notwithstanding defective appointment etc.	157.	All acts done by any meeting of the Board or by a committee of the Board or by any person acting as a Director, shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or Committee or person acting as aforesaid, or that they or any of them were or was disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these presents, be as valid as if every such person had been duly appointed and was qualified to be a Director and had not vacated office or his appointment had not been terminated; provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.
Passing of resolution by circulation	158.	No resolution shall be deemed to have been duly passed by the Directors or by a Committee thereof by circulation unless the resolution has been circulated in draft, together with the necessary papers if any, to all the Directors or to all

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		the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Directors or Committee as the case may be) and to all other Directors or members at their usual addresses in India and has been approved by such of the Directors as are then in India or by a majority of such of them, as are entitled to vote on the resolution.

Minutes

Title of Article	No.	Contents
Minutes	159.	The Company shall cause minutes of all proceedings of every General Meeting and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept as and in the manner prescribed under Section 193 of the Act.
Minutes to be evidence	160.	Any such minutes, if purporting to be signed by the Chairman of the Meeting at which the proceedings take place or by the Chairman of the next succeeding meeting shall be evidence of the proceedings.
Proceedings valid once minutes duly drawn up and signed	161	Where minutes of the proceedings of any General Meeting of the Company or of any meeting of the Board or of a Committee of the Directors have been made and signed in accordance with the provisions of these presents and the Act, then until the contrary is proved, the Meeting shall be deemed to have been duly called and held and all proceedings thereat to have been duly taken place and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid.
Inspection of minute books of General meeting	162.	<ol style="list-style-type: none"> 1) The books containing the minutes of the proceedings of any General Meeting of the Company shall be kept at the Registered Office of the Company and shall be open for inspection of members without charge between the hours of 2 p.m. to 5 p.m. during business hours on each working day except Saturday. 2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minute referred to in sub-clause (1) hereof on payment of thirty seven paise for every one hundred words or fractional part thereof required to be copied.

Powers of The Board of Directors

Title of Article	No.	Contents
General Power of the Board	163.	Subject to the provisions of the Act, the Board of Directors shall be entitled to exercise all such powers, and to do all such acts and things, as the Company is authorised to exercise and do; provided that Directors shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other applicable law or by the Memorandum of Association of the Company or these presents or otherwise, to be exercised or done by the Company in General Meeting; provided further that in exercising any such power or doing any such act or thing, the Board of Directors shall be subject to the provisions contained in that behalf in the Act or in any other applicable law or in the Memorandum of Association of the Company or these presents or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in General Meeting
Restrictions on Board's powers	164.	<ol style="list-style-type: none"> 1) The Board of Directors shall not, except with the consent of the Company in General Meeting: <ol style="list-style-type: none"> a) sell, lease or otherwise dispose off the whole, or substantially the whole, of the undertaking of the Company or where the Company owns more than one undertaking,

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		<p>of the whole, or substantially the whole, of any such undertaking,</p> <p>b) remit, or give time for the repayment of, any debt due by a Director,</p> <p>c) invest, otherwise than in trust securities, the amount of compensation received by the Company in respect of compulsory acquisition of any undertaking or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time,</p> <p>d) borrow moneys, where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), exceeds the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, or</p> <p>e) contribute, to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed twenty-five thousand rupees or five percent of its average net profits as determined in accordance with the Act during the three financial years immediately preceding, whichever is greater.</p> <p>2) Generally the Board of Directors shall exercise its aforesaid powers in consonance with and not in contravention of Section 293 of the Act.</p> <p>3) No regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.</p>
Certain powers to be exercised by Directors only at meeting	165.	<p>The powers given under Section 292 of the Act, shall be exercised by the Board of Directors of the Company on behalf of the Company, only by means of resolutions passed at meeting of the Board of Directors.</p> <p>Provided that the Board of Directors may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office the powers specified in clauses (c), (d) and (e) of Section 292 of the Act to the extent specified in sub-sections (2), (3) and (4) respectively, on such conditions as the Board may prescribe.</p>
Specific powers given to Directors	166.	<p>Without prejudice to the general powers conferred by the last preceding Article and the other powers conferred by these presents it is hereby expressly declared that the Directors shall have the following powers, that is to say, power:</p> <p><u>To pay preliminary expenses</u></p> <p>1. To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.</p> <p><u>To acquire property</u></p>

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		<p>2. To purchase or otherwise acquire for the Company, any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions, as they think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be necessarily satisfactory.</p> <p><u>To insure properties</u></p> <p>3. To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper, all or any part of the buildings, machinery, goods, stores, produce and other movable property</p> <p>of the Company either separately or jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.</p> <p><u>To open Accounts</u></p> <p>4. To open accounts with any bank or bankers or with any company, firm or individual and to pay moneys into and draw moneys from any such account from time to time as the Directors may think fit.</p> <p><u>To pay for property</u></p> <p>5. At their discretion, to pay for any property, rights in Debentures or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages or other securities of the Company and any such shares may be issued either as fully paid up or with such amounts credited as fully paid up thereon as may be agreed upon, and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.</p> <p><u>To secure contracts by mortgage</u></p> <p>6. To secure the fulfillment of any contracts or agreements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its uncalled capital for the time being or in such other manner as they may think fit.</p> <p><u>To appoint/remove committees of experts etc.</u></p> <p>7. To appoint and at their discretion, remove or suspend, such committee or committees of experts, technicians or advisers, such managers, secretaries, officers, clerks, agents and servants for permanent, temporary or special services, as they may from time to time think fit and to determine their powers and duties and fix their salaries or emoluments and to require security in such instances and to such amount as they think fit.</p> <p><u>Public Charity</u></p> <p>8. To contribute to any charitable object of public utility within the limits prescribed by Section 293 of the Act.</p> <p><u>Welfare of Employees</u></p> <p>9. To support and subscribe to any institution, society or club which may be</p>

Title of Article	No.	Contents
		<p>for the benefit of the Company or its employees or may be connected with any town or place where the Company carries on business to give pensions, gratuities, bonuses or charitable aid to any person or persons who have served the Company or to the wives, children, or dependents of such person or persons that may appear to the Directors just or proper whether any such person, his widow, children or dependents have or have not a legal claim upon the Company.</p> <p><u>To accept surrender of shares</u></p> <p>10. Subject to the provisions of the Act to accept from any member, on such terms and conditions as shall be agreed, a surrender of his shares or any part thereof.</p> <p><u>To appoint Trustees</u></p> <p>11. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees.</p> <p><u>To bring and defend action etc.</u></p> <p>12. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company.</p> <p><u>To refer to arbitration</u></p> <p>13. To refer any claims or demands by or against the Company to arbitration.</p> <p><u>To give receipts</u></p> <p>14. To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.</p> <p><u>To authorise acceptances, etc.</u></p> <p>15. To determine who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents.</p> <p><u>To appoint attorneys</u></p> <p>16. From time to time to provide for the management of the affairs of the Company in such manner as they think fit and in particular to appoint any person to be the attorneys or agents of the Company with such powers (including power to sub-delegate) and upon such terms as may be thought fit.</p> <p><u>To invest moneys</u></p> <p>17 To invest and deal with any of the moneys of the Company not immediately required for the purposes thereof upon such securities (not being shares in this Company) and in such manner as they may think fit</p>

Title of Article	No.	Contents
		<p>and from time to time to vary or realise such investments, provided however, that the profits, if any, arising on the sale or change of investments of the Company, unless prohibited by any other statute for the time being in force, shall be treated as capital moneys and carried to the Capital Reserve Account.</p> <p><u>To give security by way of indemnity</u></p> <p>18. To execute in the name and on behalf of the Company, in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.</p> <p><u>To give percentage</u></p> <p>19. To give to any person employed by the Company a commission on the profits of any particular business or transaction or a share in the general profits of the Company and such commission or share of profits shall be treated as part of the working expenses of the Company.</p> <p><u>May make rules and regulations</u></p> <p>20. From time to time, to make, vary and repeal rules and regulations for the conduct of the business and affairs of the Company, its officers and servants.</p> <p><u>May make contracts etc.</u></p> <p>21. Subject to the provisions of the Act and these presents for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name of and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.</p> <p><u>To establish Reserve Funds</u></p> <p>22. Before recommending any dividend, to set aside out of the profits of the Company such sums as they think proper for depreciation or to a Depreciation Fund or to an Insurance Fund or as a Reserve Fund or Sinking Fund or any Special Fund to meet contingencies or to repay debentures or debenture-stock or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes, as the Board of Directors may, in their absolute discretion, think conducive to the interest of the Company and subject to Section 292 of the Act to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board of Directors, in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matters, to which the Board of Directors apply or upon which they expend the same or any part thereof may be matters, to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the</p>

Title of Article	No.	Contents
		<p>Reserve Fund into such special funds as the Board of Directors may think fit, and to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of debentures or debenture-stock and that without being bound to keep the same separate from the other assets and without being bound to pay interest on the same, with power however to the Board of Directors at their discretion to pay or allow to the credit of such funds interest at such rate as the Board of Directors may think proper.</p> <p><u>To pay commission</u></p> <p>23. To pay and charge to the capital account of the Company any commission or interest lawfully payable there from under the provisions of Sections 76 and 208 of the Act.</p> <p><u>Local law</u></p> <p>24. To Comply with the requirements of any local law which in their opinion it shall in the interests of the Company be necessary or expedient to comply with.</p> <p><u>Local Board</u></p> <p>25. From time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such Local Board or any managers or agents and to fix their remuneration.</p> <p><u>Delegation of Powers to Local Board etc.</u></p> <p>26. Subject to the provisions of Section 292 of the Act from time to time, and at any time to delegate to any such Local Board, or any member or members thereof of any managers so appointed any of the powers, authorities and discretions for the time being vested in the Board of Directors, and to authorise the members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies; and any such appointment or delegation under Clause 27 of this Article may be made on such terms and subject to such conditions as the Board of Directors may think fit, and the Board of Directors may at any time remove any person so appointed, and may annul or vary any such delegation.</p> <p><u>Delegation of powers</u></p> <p>27. Generally subject to the provisions of the Act and these presents to delegate the powers, authorities and discretions vested in the Directors to any person, committee, firm, company, or fluctuating body of persons.</p>
Power to appoint Managing or Whole time Director(s)	167.	<p>A. Subject to the provisions of the Act, the Directors may from time to time appoint one or more of their body to be a Whole-time Director or Whole-time Directors of the company on such conditions and for such term not exceeding five years at a time as the Board may think fit 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.</p> <p><u>General Powers of the Managing Director</u></p>

Title of Article	No.	Contents
		<p>The Managing Director would be responsible for the day to day management of the Company, subject to the superintendence, control and direction of the Board of Directors.</p> <p><u>What provisions the Executive Directors shall be subject to</u></p> <p>B. Subject to the provisions of the Act and of these presents, a Managing Director or a Whole-time Director shall not, while he continues to hold that office, be subject to retirement by rotation under Article 143 but he shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and he shall ipso facto and immediately cease to be a Managing Director or Whole-time Director if he ceases to hold the office of Director for any cause, provided that if at any time the number of Directors (including the Managing Director or Whole-time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for the time being, then such Managing Director or Managing Directors or Whole-time Director or Whole-time Directors, as the Directors, may from time to time select, shall be liable to retirement by rotation to the intent that the Directors so liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.</p> <p><u>Remuneration of Managing or Whole- time Director(s)</u></p> <p>C. Subject to the provisions of the Act and to the approval of the Company in General Meeting the remuneration of a Managing Director or Whole-time Director shall from time to time be fixed by the Directors, and may be by way of fixed salary, or commission on profits of the Company, or by participation in any such profits or by any or all of those modes.</p>
Debenture Director	168.	Any trust deed securing and covering the issue of debentures of the Company may provide for the appointment of a Director (in these presents referred to as “the Debenture Director”) for and on behalf of the debenture holders for such period as is therein provided not exceeding the period for which the debentures or any of them shall remain outstanding and for the removal from office of such Debenture Director and on a vacancy being caused whether by resignation, death, removal or otherwise, for appointment of a Debenture Director in the vacant place. The Debenture Director shall not be liable to retire by rotation or be removed from office except as provided as aforesaid.
Appointment of an Alternate Director	169.	The Board of Directors of the Company may appoint an Alternate Director to act for a Director (hereinafter called “the Original Director”) during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to that State. If the terms of office of the Original Director is determined before he so returns to the State, any provision in the said Act or in these presents for the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the Alternate Director.

The Seal

Title of Article	No.	Contents
The Seal, and its custody	172.	The Directors shall provide a Common Seal for the purposes of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by the authority of the Board of Directors or a Committee of the Directors previously given. Every deed or other instrument to which the Seal of the Company shall be affixed shall be signed by at least two Directors and countersigned by the Secretary or such other person as may be authorised in that behalf by the Directors, provided nevertheless that certificates of shares may be under the signatures of such persons as provided by the Companies (Issue of Share Certificates) Rules in force from time to time. Save as otherwise expressly provided by the Act, a document or processing requiring authentication by the Company may be signed by a Director, or the Secretary or any other officer authorised in that behalf by the Board and need not be under its seal.

Annual Return

Title of Article	No.	Contents
Annual Returns	174.	The Company shall make the requisite Annual Returns in accordance with Sections 159 and 161 of the Act and shall file the same with the Registrar with three copies of the Balance Sheet and Profit and Loss Account in accordance with Section 220 of the Act.

Dividend

Title of Article	No.	Contents
Dividends	175.	<p>The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of these presents as to the Reserve Fund or other special fund or funds, shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively.</p> <p>Provided always that (subject as aforesaid) any capital paid upon a share during the period in respect of which a dividend is declared shall unless the Directors otherwise determine entitle and shall be deemed always to have entitled the holders of such share only to an apportioned amount of such dividend as from the date of payment.</p>
Dividends on Capital paid up in advance and carrying interest	176.	Provided that where capital is paid up on any shares in advance of calls upon the footing that the same shall carry interest, such capital shall not whilst carrying interest, confer a right to participate in profit.
Declaration of Dividends, Restriction on amount of Dividend	177.	The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interests in the profits and may fix the time for payment. No larger dividend shall be declared than is recommended by the Directors, but the Company in General Meeting may declare a smaller dividend.
Dividend out of profits only and shall not carry interest	178.	No dividend shall be paid otherwise than out of the profits of the year or any other undistributed profits of the Company and no dividend shall carry interest as against the Company.
What to be deemed net profits	179.	The declaration of the Directors as to the amount of net profits of the Company shall be conclusive.
Dividends in proportion to amount paid up	180.	The Company shall pay dividends in proportion to the amount paid up or credited as paid up on each share, where a larger amount is paid up or credited as paid up on some shares than on others.

Title of Article	No.	Contents
Interim dividends	181.	The Directors may from time to time pay to the members such interim dividends as in their judgement, the position of the Company justifies
Debts may be Deducted	182.	The Directors may retain any dividends payable on shares on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
Dividend and call together set off allowed	183.	Any General Meeting declaring a dividend may 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 member, be set off against the call. The making of a call under this Article shall be deemed ordinary business of an Annual General Meeting which declares a dividend.
Effect of transfer	184.	A transfer of shares shall not pass the right to any dividend declared thereon after such transfer and before the registration of the transfer.
Retention in certain cases	185.	The Directors may retain the dividends payable upon shares in respect of which any person is under the Transmission Clause entitled to become a member or which any person under that Article is entitled to transfer, until such person shall become a member, in respect to such shares or shall duly transfer the same.
No member to receive dividend whilst indebted to the Company, and the Company's right to reimbursement thereof	186.	No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons; and the Directors may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.
Dividend to joint holders	187.	Any one of several persons who are registered as the joint holders of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such shares.
Payment by Post	188.	<p>Unless otherwise directed any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled or in the case of joint holders, to the registered address of that one whose name stands first on the Register in respect of the joint holding; and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent. Several executors or administrators of a deceased member in whose sole name any share shall stand, shall for the purposes of this Article be deemed to be joint holders thereof.</p> <p>The Company shall not be responsible or liable for any cheque or warrant lost in transit or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent recovery thereof by any other means.</p>
Dividend to be paid within thirty days	189.	<p>The Company shall pay the dividend or send warrant in respect thereof to the shareholder entitled to the payment of the dividend, within thirty days from the date of the declaration of the dividend unless:</p> <ol style="list-style-type: none"> Where the dividend could not be paid by reason of the operation; of any law. Where a shareholder has given directions regarding the payment of dividend and those directions cannot be complied with. Where there is a dispute regarding the right to receive the dividend. Where the dividend has been lawfully adjusted by the Company

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		<p>against any sum due to it from the shareholders.</p> <p>Or</p> <p>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.</p>
Unclaimed Dividend	190.	<p>(a)* If the Company has declared a dividend but which has not been paid within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any Scheduled Bank called “the unpaid dividend account of “KABIRDASS MOTOR COMPANY LIMITED”, and deposit the amount of such unclaimed dividend in the said account.</p> <p>(b)* Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of section 205 C of the Act.</p> <p><i>* Amended at the EGM held on 16th January 2009.</i></p>

Reserve and Depreciation

Title of Article	No.	Contents
Reserve Fund	191.	<p>The Directors may from time to time before recommending any dividend set apart any and such portion of the profits of the Company as they think fit as a Reserve Fund to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the Company, for equalisation of dividends or for repairing, improving and maintaining any of the property of the Company and for such other purpose of the Company as the directors in their absolute discretion think conducive to the interest of the Company and may invest the several sums so set aside upon such investment (other than shares of the Company) as they may think fit and from time to time to deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company and may divide the Reserve Fund to another Reserve Fund or a division of a Reserve Fund and also with full power to employ the Reserve Funds or any part thereof in the business of the Company separate from the other assets and without being bound to pay interest on the same with power, however to the Board in their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.</p>
Depreciation Fund	192.	<p>The Directors may, from time to time before recommending any dividend, set apart any such portion of the profits of the Company, as they think fit, as a depreciation fund applicable at the discretion of the directors, for providing against any depreciation in the investments of the Company or for rebuilding, restoring, replacing or for altering any part of the buildings, work, plant, machinery or other property of the Company, destroyed or damaged by fire, flood, storm, tempest, earthquake, accident, riot, wear and tear or any other means whatsoever and for repairing, altering and keeping in good condition the property of the Company or for extending and enlarging the building, machinery and property of the Company with full power to employ the assets constituting such depreciation fund in the business of the Company and that without being bound to keep the same separate from the other assets.</p>
Investment of Moneys	193.	<p>All moneys carried to any reserve fund and depreciation fund respectively shall nevertheless remain and be profits of the Company applicable subject to due provisions being made for actual loss or depreciation, for the payment of dividend and such moneys and all the other moneys of the company may be invested by the Directors in or upon such investments or securities as they</p>

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		may select or may be used as working capital or may be kept at any bank on deposit or otherwise as the Directors may from time to time think proper.

Capitalisation

Title of Article	No.	Contents
Capitalisation of Reserves	194.	<p>(a) Any General Meeting may upon the recommendations of the Directors, resolve that any moneys investments or other assets forming part of the undivided profits of the Company, standing to the credit of any of the Company's Reserve Funds or to the credit of the Profit and Loss Account or any Capital Redemption Reserve Fund or in the hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the Share Premium Account be subject to the provisions of Section 78 of the Act capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund shall not be paid in cash but shall be applied subject to the provisions contained in clause (b) hereof on behalf of such shareholders in full or towards.</p> <ol style="list-style-type: none"> 1) paying either at par or at such premium as the Resolution may provide, any unissued shares or debentures or debenture-stock of the Company which shall be allotted, distributed and credited as fully paid up to and amongst such members in the proportions as aforesaid; or 2) paying up any amounts for the time being remaining unpaid on any shares or debentures or debenture-stock held by such members respectively; or 3) paying up partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii) and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum. <p>(b) <ol style="list-style-type: none"> 1) Any moneys, investments or other assets representing premiums received on the issue of shares and standing to the credit of Share Premium Account and 2) If the Company shall have redeemed any Redeemable Preference Shares, all or any part of any Capital Redemption Fund arising from the redemption of such shares, may by resolution of the Company be applied only in paying up in full or in part any new shares or any shares then remaining unissued to be issued to such members of the Company as the General Meeting may resolve upto an amount equal to the nominal amount of the shares so issued; </p> <p>(c) Any General Meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company not subject to charge for income-tax be distributed among the members on the footing that they receive the same as capital.</p> <p><u>Fractional Certificates</u></p> <p>(d) For the purposes of giving effect to any such resolution under this Article, the Director may settle any difficulty which may arise in regard to the distribution of payment as aforesaid as they think expedient and in particular, may issue fractional certificates and may fix the value</p>

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		<p>for distribution of any specific assets and may determine that cash payment shall be made upon the footing of the value so fixed or that fractions of less value than Re.1/- may be disregarded in order to adjust the rights of all parties and may vest any such cash or specific assets in trustees upon such trust for the persons entitled to the dividend capitalised fund as may seem expedient to the Directors and generally may make such arrangements for the acceptance, allotment and sale of such shares or other specific assets and fractional certificates or otherwise as they may think fit.</p> <p><u>Sale of fractional shares</u></p> <p>(e) If and whenever any shares become held by any member in fraction, the Directors may subject to the provisions of the Act and these presents and to the directions of the Company in General Meeting if any sell these shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute amongst the members entitled to such shares in due proportion the net proceeds of the sale thereof. For the purpose of giving effect to any such sale, the Directors may authorise any person to transfer the shares sold to the purchaser thereof comprised in any such transfer and he 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.</p> <p>(f) Where required, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Act and Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund and such appointment shall be effected.</p>

Accounts

Title of Article	No.	Contents
Books of Account to be kept	195.	<p>The Company shall cause to be kept proper books of account in accordance with Section 209 of the Act with respect to:-</p> <ol style="list-style-type: none"> 1) all sums of moneys received and expended by the Company and the matters in respect of which receipts and expenditure take place; 2) all sales and purchases of goods by the Company; 3) the assets and liabilities of the Company; 4) such particulars relating to utilization of labour or material or to other items of cost as may be required and prescribed by the Central Government in this regard.
Books where to be kept	196.	The books of account and other books and papers shall be kept at the Registered Office of the Company or at such other place or places as the Board of Directors think fit and shall be open to inspection by any Director or any other person authorised under the Act during business hours.
Books of Accounts to be preserved	197.	The books of account of the Company relating to a period of not less than eight years immediately preceding the current year together with the vouchers relevant to any entry in such books of accounts shall be preserved in good order.
Inspection by Members	198.	The Board of Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books and documents of the Company or any of them shall be open to the inspection of the members, and no member (not being a

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		Director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the Board of Directors or by a resolution of the Company in General Meeting.
Statement of Accounts to be furnished to General Meeting	199.	The Board of Directors shall lay 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 where an extension of time has been granted by the Registrar of Companies under the provisions of the Act by more than six months and the extension so granted.
Balance Sheet and Profit and Loss Accounts	200.	<ol style="list-style-type: none"> 1) Subject to the provisions of Section 211 of the Act, every Balance Sheet and Profit and Loss Account of the Company shall be in the forms set out in Parts I and II respectively of Schedule VI of the Act, or as near thereto as circumstances admit. 2) So long as the Company is a holding Company having a subsidiary, the Company shall conform to Section 212 and other applicable provisions of the Act. 3) If in the opinion of the Board, any of the current assets of the Company have not a value on realisation in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion shall be stated.
Authentication of Balance Sheet and Profit and Loss Account	201.	<ol style="list-style-type: none"> 1) Every Balance Sheet and every Profit and Loss Account of the Company shall be signed on behalf of the Board of Directors by the Secretary, and by not less than two Directors of the Company, one of whom shall be a Managing Director where there is one. 2) Provided that when only one Director is for the time being in India, the Balance Sheet and Profit and Loss Account shall be signed by such Director and in such a case there shall be attached to the Balance Sheet and the Profit and Loss Account a statement signed by him explaining the reason of non-compliance with the provisions of Clause (1) above. 3) The Balance Sheet and the Profit and Loss Account shall be approved by the Board of Directors before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the Auditors for their report thereon.
Profit and Loss Account to be annexed and Auditor's Report to be attached to the Balance Sheet	202.	The Profit and Loss Account shall be annexed to the Balance Sheet and the Auditor's Report (including the Auditor's separate, special or supplementary report, if any) shall be attached thereto.
Board's Report to be attached to Balance Sheet	203.	<ol style="list-style-type: none"> 1) Every Balance Sheet laid before the Company in General Meeting shall have attached to it a Report by the Board of Directors with respect to the state of the Company's affairs, the amounts, if any, which it proposes to carry to any Reserve in such Balance Sheet and the amount, if any, which it recommends to be paid by way of dividend and material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the Report. 2) The Report shall, so far as it is material for the appreciation of the

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		<p>state of the Company's affairs by its members, and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries, deal with any changes which have occurred during the financial year in the nature of the Company's business, in the Company's subsidiaries or in the nature of the business carried on by them and generally in the classes of business in which the Company has an interest.</p> <p>3) The Board shall also give the fullest information and explanations in its report or in cases falling under the proviso to Section 222 of the Act in an addendum to that report, on every reservation, qualification or adverse remark contained in the Auditor's Report.</p> <p>4) The Board's Report and addendum (if any) thereto shall be signed by its Chairman if he is authorised in that behalf by the Board; and where he is not so authorised, shall be signed by such number of Directors as are required to sign the Balance Sheet and the Profit and Loss Account of the Company by virtue of Clauses (1) and (2) of Article 201.</p> <p>5) The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of Clauses (1) to (3) of this Article are complied with.</p>
Right of members to copies of Balance Sheet and Auditor's Report	204.	The Company shall comply with the requirements of Section 219 of the Act.

Audit

Title of Article	No.	Contents
Accounts to be audited	205.	Every Balance Sheet and Profit and Loss Account shall be audited by one or more Auditors to be appointed as hereinafter mentioned.
Audit Provisions	206.	1) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next Annual General Meeting and shall comply with the provisions of Sections 224, 224A to 226 and other applicable provisions in regard thereto of the Act.
Remuneration of Auditors	207.	The remuneration of the Auditors of the Company shall be fixed by the Company in general meeting except that the remuneration of the Auditors appointed to fill any casual vacancy may be fixed by the Directors.
Powers and duties of Auditors	208.	The powers and duties of the Auditors of the Company shall be as laid down in Section 227 of the Act.
Audit of Branch offices	209.	The Company shall comply with the provisions of Section 228 of the Act in relation to the audit of the accounts of branch offices of the Company except to the extent to which any exemption may be granted by the Central Government in that behalf.
Reading and inspection of Auditor's Report	210.	The Auditor's Report shall be read before the Company in general meeting and shall be open to inspection by any member of the Company.
When account to be Deemed conclusive	211.	Every account when audited and approved by a general meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected and henceforth shall be conclusive.
Service of documents on	212.	1) A document (which shall for this purpose be deemed to include and shall include any summons requisition, process, order, judgement, or any

Title of Article	No.	Contents
members by Company		<p>other document in relation to the winding up of the Company) or notice may be served by the Company on any member thereof either personally or by sending it by post to him at his registered address or if he has no registered address in India, to the address, if any, within India supplied by him to the Company for giving of notices to him.</p> <p>2) Where a document or notice is sent by post:</p> <p>(a) service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or the notice, provided that where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member; and</p> <p>(b) such service shall be deemed to have been effected:</p> <p>(i) in the case of a notice of a meeting at the expiration of forty-eight hours after the letter containing the same is posted; and in any other case, at the time at which the letter would be delivered in the ordinary course of post.</p> <p>3) A document or notice advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly served on the day on which the advertisement appears, on every member of the Company who has no registered address in India and has not supplied to the Company an address within India for giving of notices to him.</p> <p>4) A document or notice may be served by the Company on the joint holders of a share by serving it on the joint holder named first in the Register in respect of the share.</p> <p>5) A document or notice may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in prepaid letter addressed to them by name, or by the title of representatives of the deceased or assignees of the insolvent or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied, by serving the document or notice in any manner in which it might have been served if the death or insolvency had not occurred.</p> <p>6) The signature to any document or notice to be given by the Company, may be written or printed or lithographed.</p>
Service of documents on Company	213.	<p>(a) A document may be served on the Company or an officer thereof by sending it to the Company or officer at the Registered Office of the Company by post under a certificate of posting or by registered post or by leaving it at its Registered Office.</p> <p><u>Advertisements</u></p> <p>(b) Subject to the provisions of the Act any document required to be served or sent by the Company on or to the members, or any of them, and not expressly provided for by these presents, shall be deemed to be duly</p>

Title of Article	No.	Contents
		served or sent if advertised once in one English daily and one vernacular daily newspaper circulating in the city of Chennai.
Transferees etc., bound by prior notices	214.	Every person, who by operation of law, transfer or other means whatsoever shall become entitled to any share, shall be bound by every notice in respect of such share which, previous to his name and address and title to the share being notified to the Company, was duly given to the person from whom he derives his title to such share.

Secrecy Clause

Title of Article	No.	Contents
Members not entitled to information	215.	Subject to the provisions of the Act no member shall be entitled except to the extent expressly permitted by the Act or these presents to enter upon the property of the Company or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it will be inexpedient in the interest of the members of the Company to communicate to the public.
Indemnity	216.	Subject to the provisions of Section 201 of the Act, every Director, Managing Director, Officer or servant of the Company 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 expenses which any such Officer or servant may incur or become liable to by reason of any contract entered into or act or thing done by him as such Officer or servant or in any way in the discharge of his duties 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, Managing Director, Officer or servant in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company.
Individual responsibility of Directors	217.	Subject to the provisions of Section 201 of the Act, no Director, Managing Director, Officer of the Company shall be liable for the acts, receipts, neglects 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 title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or torturous act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by an error of judgement, omission, default or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own dishonesty.

Winding Up

Title of Article	No.	Contents
Distribution of assets	218.	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 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 a 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

Title of Article	No.	Contents
		capital, at the commencement of the winding up, paid up or which ought to have been paid up on the shares issued upon special terms and conditions.
Distribution in specie or kind	219.	<p>1. If the Company shall be wound up, whether voluntarily or otherwise, the liquidators 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 liquidators, with the like sanction shall think fit.</p> <p>2. 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 contributories (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, any contributory who would be prejudiced 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.</p> <p>3. 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 liquidators to sell his proportion and pay him the net proceeds and the liquidators shall if practicable act accordingly.</p>
Rights of shareholders in case of sale	220.	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 liquidators be distributed amongst 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 section.

SECTION XIII – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by our Company) which are or may be deemed material have been entered or to be entered into by our Company. Copies of these contracts, which will be attached to the copy of the Red Herring Prospectus, delivered to the RoC, Tamil Nadu, Chennai for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company from 10:00 am to 5:00 pm on any working day from the date of the Red Herring Prospectus until the Bid/ Issue Closing Date.

Material contracts to the Issue

1. Memorandum of Understanding dated December 21, 2010 entered into between our Company and Karn Merchant Bankers Limited, Book Running Lead Manager to the Issue.
2. Memorandum of Understanding dated January 02, 2009 entered into between our Company and Cameo Corporate Services Ltd., Registrar to the Issue.
3. Escrow Agreement dated [●], between our Company, the BRLM, the Escrow Collection Banks and the Registrar to the Issue.
4. Syndicate Agreement dated [●] between our Company, BRLM and Syndicate Members.
5. Underwriting Agreement dated [●] between our Company, BRLM and Syndicate Members.

Material Documents

1. A Copy of Memorandum of Association and Articles of Association of Kabirdass Motor Company Limited.
2. Copy of Certification of Incorporation.
3. Copy of resolution passed at Board meeting held on February 14, 2011 authorizing issue of equity shares and for convening EGM under section 81 (1A) of Companies Act, 1956 to take shareholders' approval.
4. Copy of Special Resolution passed under section 81 (1A) of the Companies Act, 1956 at the Extra Ordinary General Meeting held on March 14, 2011 authorizing present issue of equity shares.
5. Copy of the Board Resolution dated March 10, 2011 and resolution of the shareholders passed at the Extra Ordinary General Meeting dated April 06, 2011 fixing the present term of appointment and remuneration of our Managing Director.
6. Copy of resolution passed at the Board Meeting held on April 15, 2011 approving the contents of DRHP.
7. Copies of Annual reports of our Company for the financial years ending on March 31, 2007, 2008, 2009, 2010 and Audited Financials for the period upto December 31, 2010.
8. Consents of Auditor, Peer Review Auditor, Bankers to our Company, BRLM, Registrar to the Issue, Legal advisor to the Issue, Directors of our Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities.
9. Copy of certificate dated March 31, 2011 issued by M/s. Raghu & Murali, Chartered Accountants (Peer Reviewed Auditor) in relation to restated financial information of our Company, prepared in accordance with Part II of Schedule II to the Companies Act 1956, including capitalization statement, taxation statement and accounting ratios for the year ended 31st March 2007, 2008, 2009, 2010 and nine months ended 31st December, 2010.
10. Copy of letter dated March 31, 2011 issued by M/s. Raghu & Murali, Chartered Accountants (Peer reviewed auditor) regarding tax benefits accruing to our Company and its shareholders.

11. Copy of deployment fund certificate dated April 11, 2011 received from M.A. Suryanarayanan & Co., Chartered Accountants and Statutory Auditor of our Company.
12. Due Diligence Certificate dated April 15, 2011 to SEBI from BRLM.
13. Copy of quotations received from suppliers for Plants & Machinery and Building Construction Cost for the Project.
14. A Copy of Memorandum of Association and Articles of Association of Kabirdass Aluminium Ltd. and Shareway Securities Limited.
15. Copies of Annual reports of Kabirdass Aluminium Ltd. for the year ended on March 31, 2008, 2009, 2010.
16. Copies of Annual reports of Shareway Securities Limited for the year ended on March 31, 2009, 2010.
17. Certificate of registration (registration number: INF 231309338) dated September 04, 2008 (re-issued on June 15, 2010) granted by SEBI, to Shareway Securities Limited, under the (Stock Brokers and Sub Brokers) Regulations, 1992, for carrying on the activities of buying, selling or dealing in securities and carrying such other activities.
18. Copy of Convertible Debenture Subscription Agreement between Bennett Coleman and Company Limited ("BCCL") and Kabirdass Motor Company Limited ("Company") and Promoters of the Company entered into on June 03, 2008.
19. Copy of Amendment to Convertible Debenture Subscription Agreement between Bennett Coleman and Company Limited ("BCCL") and Kabirdass Motor Company Limited ("Company") and Promoters of the Company entered into on March 31, 2010.
20. Copy of advertising agreement between the Company and Bennett Coleman and Company Limited entered into on June 03, 2008.
21. Copy of agreement dated August 16, 2007 for Clean Development Mechanism Project between the Company and Asia Carbon Emission Management India Private Limited.
22. Copy of agreement dated January 13, 2009 entered into with M/s. Hero Ecotech Limited (HEL) by the Company, whereby the Company agreed to transfer to HEL the ARAI CMVR certificate and all other licenses, approvals etc for the product K1500SI.
23. Copy of Tripartite agreement dated February 10, 2009 entered into between our Company, NSDL and Registrar to the Issue.
24. Copy of Tripartite agreement dated June 17, 2009 entered into between our Company, CDSL and Registrar to the Issue.
25. Consent of [●], the IPO Grading Agency for inclusion of their report dated [●] in the form and context in which they appear in the Red Herring Prospectus and the Prospectus.
26. In-principle approval received from Bombay Stock Exchange Limited (BSE) vide their letter dated [●].
27. In-principle approval received from National Stock Exchange of India (NSE) vide their letter dated [●].
28. Observation Letter No [●] dated [●] issued by the Securities and Exchange Board of India (SEBI).

Any of the contracts or documents mentioned in the Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

SECTION – XIV : DECLARATION

We, the Directors, hereby certify and declare that, all relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the regulations / guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF THE COMPANY

Name	Designation	Signature
Mr. Murali Kabirdass	Managing Director	
Mrs. Haripriya Murali	Non Executive Director	
Mr. P. Jothibasu	Non Executive Independent Director	
Mr. J. Sethuraman	Non Executive Independent Director	

Signed by Chief Finance Officer & Company Secretary & Compliance Officer

(Mr. Balasubramanian Muthukumar)

Place: Chennai

Date: April 15, 2011

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