PROSPECTUS
Dated December 13, 2012
Please read section 60B of the Companies Act, 1956
100% Book Building Offer

CREDIT ANALYSIS AND RESEARCH LIMITED

(Our Company was incorporated as Credit Analysis and Research Limited on April 21, 1993 at Mumbai, Maharashtra as a public limited company under the Companies Act, 1956, as amended (the "**Companies Act**"). For details of change in the registered office of our Company, see "History and Certain Corporate Matters - Changes in Registered Office" on page 118 of this Prospectus.)

Registered Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai 400 022
Contact Person: Navin K. Jain, Company Secretary and Compliance Officer
Tel: (91 22) 6754 3456; **Fax:** (91 22) 6754 3457; **Email:** investor.relations@careratings.com; **Website:** http://www.careratings.com

Our Company is a professionally managed company and does not have an identifiable promoter in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI Regulations")

PUBLIC OFFER OF 7,199,700 EQUITY SHARES OF A FACE VALUE OF RS. 10 EACH (THE "EQUITY SHARES") OF CREDIT ANALYSIS AND RESEARCH LIMITED (THE "COMPANY") THROUGH AN OFFER FOR SALE BY THE SELLING SHAREHOLDERS FOR CASH AT A PRICE OF RS. 750 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. 740 PER EQUITY SHARE) AGGREGATING TO RS. 5,399.78 MILLION (THE "OFFER"). THE OFFER WILL CONSTITUTE 25.22% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF EQUITY SHARES IS RS. 10 EACH. THE OFFER PRICE IS RS. 750 PER EQUITY SHARE AND IS 75 TIMES THE FACE VALUE OF THE EQUITY SHARE.

In case of any revisions in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to BSE Limited (the "**BSE**") and The National Stock Exchange of India Limited (the "**NSE**"), by issuing a press release, and also by indicating the change on the website of the BRLMs and at the terminals of the other members of the Syndicate.

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "**SCRR**"), this is an Offer for more than 25% of the post-Offer paid-up Equity Share capital of our Company. This Offer is through the Book Building Process wherein 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and the Selling Shareholders may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price. QIBs (other than Anchor Investors) and Non-Institutional Bidders shall participate in the Offer through the Application Supported by Blocked Amount ("**ASBA**") process providing details of the bank account which will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") to the extent of the Bid Amount for the same. Retail Individual Bidders may also participate in the Offer through the ASBA process. For details, see the section "Offer Procedure" on page 257 of this Prospectus.

RISK IN RELATION TO THE FIRST OFFER

This being the first public offer of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs. 10 each and the Offer Price is 75 times of the face value. The Offer Price (determined and justified by our Company, the Selling Shareholders and the BRLMs as stated under the section "Basis for Offer Price" on page 72 of this Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

IPO GRADING

Our Company has been exempted by the Securities and Exchange Board of India ("**SEBI**") (pursuant to Regulation 109(b) of the SEBI Regulations) from obtaining IPO grading for the Offer.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer 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 Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares offered in the Offer have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. Specific attention of the investors is invited to the section "Risk Factors" on page 15 of this Prospectus.

COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this 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 make this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Selling Shareholders accept responsibility that this Prospectus contains all information about them as Selling Shareholders in the context of the Offer and each Selling Shareholder assumes responsibility for statements in relation to such Selling Shareholder included in this Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received an 'in-principle' approval from each of the BSE and the NSE for the listing of the Equity Shares pursuant to the letters dated October 21, 2011 and November 11, 2011, respectively. For the purposes of the Offer, the Designated Stock Exchange shall be the BSE.

BOOK RUNNING LEAD MANAGERS

Kotak Mahindra Capital Company Limited 1st Floor, Bakhtawar, 229 Nariman Point Mumbai 400 021 Tel: (91 22) 6634 1100 Fax: (91 22) 2283 7517 Email: care.ipo@kotak.com Investor Grievance Email: kmccredressal@kotak.com Website: www.investmentbank.kotak.com Contact Person: Ganesh Rane SEBI Registration Number: INM000008704	**DSP Merrill Lynch Limited** 8th Floor, Mafatlal Centre Nariman Point, Mumbai 400 021 Tel: (91 22) 6632 8000 Fax: (91 22) 2204 8518 Email: dg.careipo@baml.com Investor Grievance Email: dg.india_merchantbanking@baml.com Website: www.dspml.com Contact Person: Vikram Khaitan SEBI Registration No.: INM000011625	**Edelweiss Financial Services Limited** 14th Floor, Edelweiss House Off. CST Road, Kalina, Mumbai 400 098 Tel: (91 22) 4086 3535 Fax: (91 22) 4086 3610 Email: care.ipo@edelweissfin.com Investor Grievance Email: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact Person: Chitrang Gandhi/ Dipti Samant SEBI Registration No: INM0000010650
ICICI Securities Limited ICICI Centre, H.T. Parekh Marg Churchgate, Mumbai 400 020 Tel: (91 22) 2288 2460 Fax: (91 22) 2282 6580 Email: care.ipo@icicisecurities.com Investor Grievance Email: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Person: Payal Kulkarni/Bhavin Vakil SEBI Registration No: INM000011179	**IDBI Capital Market Services Limited**[(1)] 3rd Floor, Mafatlal Centre, Nariman Point Mumbai 400 021 Tel: (91 22) 4322 1212 Fax: (91 22) 2285 0785 Email: care.ipo@idbicapital.com Investor Grievance Email: redressal@idbicapital.com Website: www.idbicapital.com Contact Person: Swapnil Thakur/Subodh Mallya SEBI Registration No.: INM000010866	**SBI Capital Markets Limited**[(1)] 202, Maker Tower 'E', Cuffe Parade Mumbai 400 005 Tel: (91 22) 2217 8300 Fax: (91 22) 2218 8332 Email:care.ipo@sbicaps.com Investor Grievance Email: investor.relations@sbicaps.com Website: www.sbicaps.com Contact Person: Murtuza Patrawala/Shikha Agarwal SEBI Registration Number: INM000003531

REGISTRAR TO THE OFFER

Karvy Computershare Private Limited
Plot nos.17-24, Vittal Rao Nagar
Madhapur, Hyderabad 500 081
Toll Free No.: 1-800-3454001
Tel: (91 40) 4465 5000
Fax: (91 40) 2343 1551
Email: care.ipo@karvy.com
Investor Grievance Email:
care.ipo@karvy.com
Website: http:\\karisma.karvy.com
Contact Person: M Murali Krishna
SEBI Registration No.: INR000000221

BID/OFFER PROGRAMME[(2)]

BID/OFFER OPENED ON: DECEMBER 7, 2012[(2)]	BID/OFFER CLOSED ON: DECEMBER 11, 2012

[(1)] SBI Capital Markets Limited is an associate of State Bank of India, which is a Selling Shareholder, and IDBI Capital Market Services Limited is an associate of IDBI Bank Limited, which is also a Selling Shareholder. SBI Capital Markets Limited and IDBI Capital Market Services Limited have signed the due diligence certificate dated September 30, 2011 and accordingly have been disclosed as Book Running Lead Managers. In compliance with proviso to Regulation 21A of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended (the "SEBI Merchant Bankers Regulations") and proviso to Regulation 5(3) of the SEBI Regulations, SBI Capital Markets Limited and IDBI Capital Market Services Limited are the marketing lead managers and would be involved only in the marketing of the Offer.

[(2)] The Anchor Investor Bid/Offer Period was one Working Day prior to the Bid/Offer Opening Date, in accordance with the SEBI Regulations.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, guideline or policy shall be to such legislation, act, regulation, guideline or policy as amended from time to time.

General Terms

Term	Description
"our Company", "CARE", "we", "us" or "our"	Credit Analysis and Research Limited, a company incorporated under the Companies Act and having its Registered Office at 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai 400 022

Company Related Terms

Term	Description
2012 Scheme	Stock Option Scheme of Credit Analysis and Research Limited, 2012
Articles/Articles of Association	Articles of Association of our Company, as amended
Auditor	The statutory auditor of our Company, M/s Khimji Kunverji & Co., Chartered Accountants
Board/Board of Directors	The board of directors of our Company or a duly constituted committee thereof
Director(s)	The director(s) of our Company
Equity Shares	Equity shares of our Company of face value of Rs. 10 each fully paid-up
Federal Bank	The Federal Bank Limited
IDBI Bank	IDBI Bank Limited (erstwhile Industrial Development Bank of India)
IL&FS	IL&FS Financial Services Limited
IL&FS Trust	IL&FS Trust Company Limited
ING Vysya	ING Vysya Bank Limited
Kalypto	CARE Kalypto Risk Technologies and Advisory Services Private Limited
Memorandum/Memorandum of Association	Memorandum of Association of our Company, as amended
Milestone Fund	Milestone Private Equity Fund
Milestone Trusteeship	Milestone Trusteeship Services Private Limited
Registered Office	The registered office of our Company, which is located at 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai 400 022
SBI	State Bank of India
Scheme	The CARE Employees Stock Option Scheme, 2006
Selling Shareholders	IDBI Bank, Canara Bank, SBI, IL&FS, Federal Bank, IL&FS Trust (for Equity Shares held on behalf of Milestone Fund), Milestone Trusteeship (for Equity Shares held on behalf of Milestone Army Trust), ING Vysya and Tata Investment
Subsidiary	The subsidiary of our Company, being Kalypto
Tata Investment	Tata Investment Corporation Limited

Offer Related Terms

Term	Description
Allotment/Allot/Allotted	The transfer of Equity Shares pursuant to the Offer to successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who are to be Allotted Equity Shares after the Basis of Allotment has been approved by the

Term	Description
	Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, with a minimum Bid of Rs. 100 million
Anchor Investor Bid/Offer Period	The day, one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which Equity Shares will be transferred and Allotted to Anchor Investors in terms of the Red Herring Prospectus and this Prospectus, which price will be equal to or higher than the Offer Price, but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs
Anchor Investor Portion	Up to 30% of the QIB Portion which may be allocated by our Company and the Selling Shareholders, in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid authorising a SCSB to block the Bid Amount in the ASBA Account maintained with the SCSB. ASBA is mandatory for QIBs (except Anchor Investors) and Non-Institutional Bidders participating in the Offer
ASBA Account	An account maintained with the SCSB and specified in the Bid cum Application Form submitted by ASBA Bidder for blocking the amount mentioned in the Bid cum Application Form
ASBA Bidder	Prospective investors (except Anchor Investors) in this Offer who intend to Bid through the ASBA process
Banker(s) to the Offer/Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account and the Public Offer Account will be opened, in this case being IDBI Bank, Canara Bank, SBI, Federal Bank, ING Vysya, Kotak Mahindra Bank Limited, Axis Bank Limited, HDFC Bank Limited and ICICI Bank Limited
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in the section "Offer Procedure – Basis of Allotment" on page 286 of this Prospectus
Bid	An indication to make an offer during the Bid/Offer Period by a Bidder pursuant to submission of the Bid cum Application Form, or during the Anchor Investor Bid/Offer Period by the Anchor Investors, to purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto in terms of this Prospectus
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form
Bid cum Application Form	The form used by a Bidder (including an ASBA Bidder) to make a Bid and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and this Prospectus
Bid/Offer Closing Date	Except in relation to any Bids received from Anchor Investors, the date after which the Syndicate and the Designated Branches of the SCSBs will not accept any Bids for the Offer, which shall be notified in all editions of English national daily Financial Express, all editions of Hindi national daily Jansatta and Mumbai edition of Navshakti (a Marathi newspaper), each with wide circulation
Bid/Offer Opening Date	Except in relation to any Bids received from Anchor Investors, the date on which the Syndicate and the Designated Branches of the SCSBs shall start accepting Bids for the Offer, which shall be notified in all editions of English national daily Financial Express, all editions of Hindi national daily Jansatta and Mumbai

Term	Description
	edition of Navshakti (a Marathi newspaper), each with wide circulation
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bid Lot	20 Equity Shares
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form
Book Building Process/Method	The book building process, as provided in Schedule XI of the SEBI Regulations, in terms of which this Offer is being made
BRLMs/Book Running Lead Managers	The book running lead managers to the Offer, in this case being Kotak Mahindra Capital Company Limited, DSP Merrill Lynch Limited, Edelweiss Financial Services Limited, ICICI Securities Limited, IDBI Capital Market Services Limited and SBI Capital Markets Limited IDBI Capital Market Services Limited and SBI Capital Markets Limited are the marketing lead managers and would be involved only in the marketing of the Offer
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, after the Anchor Investor Bid/Offer Period and after discovery of the Anchor Investor Offer Price
Cap Price	The higher end of the Price Band, in this case being Rs.750 per Equity Share, above which the Offer Price will not be finalised and above which no Bids will be accepted
Controlling Branches	Such branches of SCSBs which coordinate Bids under this Offer with the BRLMs, the Registrar and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Cut-off Price	The Offer Price, finalised by our Company and the Selling Shareholders in consultation with the BRLMs. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price, for a Bid Amount not exceeding Rs. 200,000. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Designated Branches	Such branches of the SCSBs which shall collect the Bid cum Application Forms used by the ASBA Bidders and a list of which is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Designated Date	The date on which funds are transferred from the Escrow Account or the amount blocked by the SCSBs is transferred from the ASBA Account, as the case may be, to the Public Offer Account or the Refund Account, as appropriate
Designated Stock Exchange	BSE
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus dated September 30, 2011 issued in accordance with Section 60B of the Companies Act and the SEBI Regulations, which did not contain complete particulars of the price at which the Equity Shares will be offered and the size of the Offer
DSP Merrill Lynch	DSP Merrill Lynch Limited
Edelweiss	Edelweiss Financial Services Limited
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares and who apply in the Offer on a non-repatriation basis in accordance with Schedule 4 of the FEMA Regulations
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened demat accounts with SEBI registered qualified depository participants
Engagement Letter	The engagement letter dated September 30, 2011 between our Company, the Selling Shareholders and the BRLMs

Term	Description
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement dated December 4, 2012 entered into between our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected from the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof
FII(s)	Foreign institutional investors as defined in, and registered with SEBI under, the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended and participating in the Offer under Schedule 2 of the FEMA Regulations
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form
Floor Price	The lower end of the Price Band, in this case being Rs. 700 per Equity Share, subject to any revision thereto, at or above which the Offer Price will be finalised and below which no Bids will be accepted
ICICI Securities	ICICI Securities Limited
IDBI Capital	IDBI Capital Market Services Limited
Kotak	Kotak Mahindra Capital Company Limited
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or 125,995 Equity Shares, which shall be available for allocation to Mutual Funds only
Mutual Funds	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 200,000 (but not including NRIs other than Eligible NRIs and QFIs other than Eligible QFIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer consisting of 1,079,955 Equity Shares, which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Offer/Offer for Sale	The public offer of 7,199,700 Equity Shares through an offer for sale by the Selling Shareholders for cash at a price of Rs. 750 each aggregating to Rs. 5,399.78 million.
Offer Agreement	The agreement dated September 30, 2011 between our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer Price	The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus. The Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs on the Pricing Date. Provided that for the purposes of the Anchor Investors, this price shall be the Anchor Investor Offer Price
Offer Proceeds	The proceeds of the Offer
Price Band	Price Band of a minimum price of Rs. 700 per Equity Share (Floor Price) and the maximum price of Rs. 750 per Equity Share (Cap Price), including any revisions thereof. The Price Band for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and advertised in all editions of English national daily Financial Express, all editions of Hindi national daily Jansatta and Mumbai edition of Navshakti (a Marathi newspaper), each with wide circulation, and made available on the websites of the Stock Exchanges, at least five Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price
Pricing Date	The date on which our Company and the Selling Shareholders in consultation with the BRLMs finalise the Offer Price

Term	Description
Prospectus	This Prospectus dated December 13, 2012 to be filed with the RoC in accordance with section 60 of the Companies Act, containing, *inter alia*, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information
Public Offer Account	Account opened with the Bankers to the Offer to receive monies from the Escrow Account and from the bank accounts of ASBA Bidders maintained with the SCSBs on the Designated Date
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) amounting to 50% of the Offer being 3,599,850 Equity Shares, which shall be available for allocation to QIBs, including Anchor Investors
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, Mutual Funds, FIIs and sub-accounts registered with SEBI (other than a sub-account which is a foreign corporate or foreign individual), AIFs, VCFs, state industrial development corporations, insurance companies registered with IRDA, provident funds with minimum corpus of Rs. 250 million, pension funds with minimum corpus of Rs. 250 million, the National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India eligible for Bidding, and does not include FVCIs and multilateral and bilateral institutions
Qualified Purchasers or QPs	Qualified Purchasers as defined in Section 2(a)(51) and related rules of the U.S. Investment Company Act
Red Herring Prospectus or RHP	The red herring prospectus dated November 24, 2012 (as supplemented by the corrigendum dated December 6, 2012 and the addendum dated December 10, 2012) issued in accordance with Section 60B of the Companies Act and the SEBI Regulations, which does not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer. The red herring prospectus dated November 24, 2012 was registered with the RoC at least three working days before the Bid/Offer Opening Date
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refunds to ASBA Bidders) shall be made
Refund Bank(s)	IDBI Bank and HDFC Bank Limited
Refunds through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable
Registrar to the Offer/Registrar	Registrar to the Offer, in this case being Karvy Computershare Private Limited
Retail Individual Bidder(s)	Individual Bidders who have Bid for Equity Shares for an amount not more than Rs. 200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	The portion of the Offer being not less than 35% of the Offer consisting of 2,519,895 Equity Shares, which shall be available for allocation to Retail Individual Bidder(s) in accordance with the SEBI Regulations
Revision Form	The form used by the Bidders (including ASBA Bidders) to modify the quantity of Equity Shares or the Bid Amount in their Bid cum Application Forms or any previous Revision Form(s) QIB Bidders (including Anchor Investors) and Non-Institutional Bidders are not permitted to lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage
SBI Capital Markets	SBI Capital Markets Limited
Securities Act	U.S. Securities Act of 1933, as amended
Self Certified Syndicate Bank(s) or SCSB(s)	A banker to the Offer registered with SEBI, which offers the facility of ASBA and a list of which is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Specified Cities	Cities as specified in the SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29,

Term	Description
	2011, namely, Ahmedabad, Bangalore, Baroda, Chennai, Delhi, Hyderabad, Jaipur, Kolkata, Mumbai, Pune, Rajkot and Surat
Syndicate Agreement	The agreement dated December 5, 2012 entered into amongst the Syndicate, our Company and the Selling Shareholders in relation to the collection of Bids in this Offer
Syndicate Members	Kotak Securities Limited, Edelweiss Securities Limited and SBICAP Securities Limited
Syndicate/members of the Syndicate	The BRLMs and the Syndicate Members
TRS/Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
U.S. Investment Company Act	U.S. Investment Company Act of 1940, as amended
U.S. Person	As defined in Regulation S under the Securities Act
U.S. QIBs	Qualified Institutional Buyers, as defined in Rule 144A under the Securities Act
Underwriters	The BRLMs and the Syndicate Members
Underwriting Agreement	The agreement amongst the Underwriters, our Company and the Selling Shareholders entered into on December 13, 2012
Working Day	Any day, other than Saturdays and Sundays, on which commercial banks in Mumbai are open for business, provided however, for the purpose of the time period between the Bid/Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all days excluding Sundays and bank holidays in Mumbai in accordance with the SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010

Technical/Industry Related Terms

Term	Description
ACRAA	Association of Credit Rating Agencies in Asia
CPS	Capital protection oriented schemes
CQR	Credit quality rating
CRISIL	Credit Rating and Information Services of India Limited
ESCO	Energy service company
ICRA	ICRA Limited
IRB Approach	Internal rating based approach for credit risk
MSE	Micro and small enterprises
MSME	Micro, small and medium enterprises
RESCO	Renewable energy service company
SMEs	Small and medium enterprises
SSI	Small scale industries

Conventional Terms/General Terms/Abbreviations

Term	Description
AIFs	Alternative investment funds, as defined in, and registered with SEBI under, the SEBI AIF Regulations
AS/Accounting Standards	Accounting standards issued by ICAI
BSE	BSE Limited
CAGR	Compounded annual growth rate
CCI	Competition Commission of India
CDS	Credit default swap
CFA	Chartered financial analyst
CDSL	Central Depository Services (India) Limited

Term	Description
Consolidated FDI Policy	Consolidated FDI Policy (Circular 1 of 2012) dated April 10, 2012 issued by the Government of India, Ministry of Commerce and Industry, effective from April 10, 2012, as amended
CRA Regulations	Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999, as amended
Companies Act	Companies Act, 1956, as amended
Competition Act	Competition Act, 2002, as amended
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996, as amended
DIN	Director identification number
DP ID	Depository Participant's identification
DP/Depository Participant	A depository participant, as defined under the Depositories Act
EBITDA	Earnings before interest, tax, depreciation and amortization
EPS	Earnings per share
FCNR Account	Foreign currency non resident account
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder and amendments thereto
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
Financial year	The period of 12 months ending March 31 of that particular year
FIPB	Foreign Investment Promotion Board of the Government of India
FVCIs	Foreign venture capital investors as defined in, and registered with SEBI under, the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
GIR	General index register
Government	Government of India
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	Income Tax Act, 1961, as amended
IND-AS	Indian accounting standard converged with IFRS
Indian GAAP	Generally Accepted Accounting Principles in India
IOSCO	International Organization of Securities Commissions
IPO	Initial public offering
IRDA	Insurance Regulatory and Development Authority
LIC	Life Insurance Corporation of India
LLP Act	Limited Liability Partnership Act, 2008, as amended
MICR	Magnetic Ink Character Recognition
National Investment Fund	National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India
NECS	National electronic clearing service
NEFT	National electronic fund transfer
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FIIs registered with SEBI, QFIs and FVCIs registered with SEBI
NRE Account	Non resident external account
NRI	Non-resident Indian, being a person resident outside India, as defined under FEMA and the FEMA Regulations
NRO Account	Non resident ordinary account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
NSIC	National Small Industries Corporation Limited
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or

Term	Description
	indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in this Offer
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
Qualified Foreign Investors or QFIs	Non-resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI. Provided that such non-resident investor shall not be resident in a country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; and (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies
RBI	The Reserve Bank of India
RoC	The Registrar of Companies, Maharashtra located at Everest, 5th Floor, 100, Marine Drive, Mumbai 400 002
RoNW	Return on net worth
Rs./Rupees	Indian Rupees
RTGS	Real time gross settlement
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI Intermediaries Regulations	Securities and Exchange Board of India (Intermediaries) Regulations, 2008, as amended
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Securities Act	U.S. Securities Act, 1933, as amended
SIDC	State Industrial Development Corporations
State Government	The government of a state in India
Stock Exchanges	The BSE and the NSE
STT	Securities transaction tax
ULIP	Unit linked insurance plan
U.S. /United States/USA	United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
USD	United States Dollars
VAT	Value added tax
VCFs	Venture capital funds as defined in, and registered with SEBI under, the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations,

Term	Description
	1996, as amended, which have been repealed by the SEBI AIF Regulations. In terms of the SEBI AIF Regulations, a VCF shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 till the existing fund or scheme managed by the fund is wound up, and such VCF shall not launch any new scheme or increase the targeted corpus of a scheme. Such VCF may seek re-registration under the SEBI AIF Regulations.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

All references to "India" contained in this Prospectus are to the Republic of India and all references to the "U.S." are to the United States of America.

Financial Data

Unless stated otherwise, the financial data of our Company included in this Prospectus is derived from the audited financial statements, prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations. In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points.

Our Company's financial year commences on April 1 and ends on March 31 of the next year, so all references to particular financial year, unless stated otherwise, are to the 12 months period ended on March 31 of that year.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. The reconciliation of the financial statements to IFRS or U.S. GAAP financial statements has not been provided. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Prospectus, and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. Accordingly, the degree to which the financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

Unless otherwise indicated, any percentage amounts, as set forth in the sections "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 15, 97 and 204 of this Prospectus, respectively, and elsewhere in this Prospectus have been calculated on the basis of our audited financial statements (consolidated and unconsolidated) prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations.

Currency, Units of Presentation and Exchange Rates

All references to "Rs." or "Rupees" are to Indian Rupees, the official currency of the Republic of India. All references to "USD" are to United States Dollars, the official currency of United States. All references to "Rufiyaa" are to the official currency of Republic of Maldives.

Our Company has presented certain numerical information in this Prospectus in "million" units. One million represents 1,000,000 and one billion represents 1,000,000,000.

This Prospectus contains conversion of certain currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI Regulations. These conversions should not be construed as a representation that those currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Prospectus have been obtained or derived from publicly available information as well as industry publications and sources. 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. Accordingly, no investment decision should be made on the basis of such information. Although our Company believes that industry data used in this Prospectus is reliable, it has not been independently verified.

The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

Definitions

For definitions, see the section “Definitions and Abbreviations” on page 1 of this Prospectus. In the section “Main Provisions of Articles of Association” on page 295 of this Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Equity Shares have not been reviewed or recommended by any U.S. federal or state securities commission or regulatory authority. The foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved.

Our Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended, and related rules and regulations thereunder (the "**U.S. Investment Company Act**") and investors will not be entitled to the benefits of the U.S. Investment Company Act. The Equity Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only (i) outside the United States, to non-U.S. Persons in offshore transactions in reliance on Regulation S; and (ii) to investors within the United States and U.S. Persons that are both (A) "qualified institutional buyers" as defined in Rule 144A and (B) "qualified purchasers" as defined in Section 2(a)(51) and related rules of the U.S. Investment Company Act in reliance on Section 3(c)(7) of the U.S. Investment Company Act. Prospective purchasers in the United States are hereby notified that our Company is relying on the exemption from provisions of Section 5 of the Securities Act provided by Rule 144A and exemptions from the U.S. Investment Company Act.

Each purchaser of Equity Shares that is located within the United States or who is a U.S. Person, or who has acquired the Equity Shares for the account or benefit of a U.S. Person will be required to represent and agree, among other things, that such purchaser (i) is a U.S. QIB and a Qualified Purchaser; and (ii) will only reoffer, resell, pledge or otherwise transfer the Equity Shares in an "offshore transaction" in accordance with Rule 903 or Rule 904 of Regulation S and under circumstances that will not require our Company to register under the Investment Company Act, in each case in accordance with all applicable securities laws.

Each other purchaser of the Equity Shares will be required to represent and agree, among other things, that (i) such purchaser is a non-U.S. person acquiring the Equity Shares in an "offshore transaction" in accordance with Regulation S; and (ii) any reoffer, resale, pledge or transfer of the Equity Shares by such purchaser will not be made to a person in the United States or to a person known by such purchaser to be a U.S. Person, in each case in accordance with all applicable securities laws.

Investors may be required to bear the financial risk of an investment in the Equity Shares for an indefinite period. The Equity Shares are not transferable except in compliance with the restrictions described in the section "Other Regulatory and Statutory Disclosures" on page 232 of this Prospectus.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ("**RSA**") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

This Prospectus has been prepared on the basis that all offers of Equity Shares will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the European Economic Area ("**EEA**"), from the requirement to produce a prospectus for offers of Equity Shares. The expression "Prospectus Directive" means Directive 2003/71/EC of the European Parliament and Council EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented by each Member State of the European Economic Area (each, a "**Relevant Member State**")) and includes any relevant implementing measure in each Relevant Member State. Accordingly, any person making or intending to make an offer within the EEA of Equity Shares which are the subject of the placement contemplated in this Prospectus should only do so in circumstances in which no obligation arises for our Company or any of the Underwriters to produce a prospectus for such offer. None of our Company, the Selling Shareholders or the Underwriters have authorised, nor do they authorize, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the Underwriters which constitute the final placement of Equity Shares contemplated in this Prospectus.

FORWARD-LOOKING STATEMENTS

This 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 Company’s strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- any changes in the volume of debt instruments issued and bank loans and facilities provided in the Indian debt market;
- any changes in interest rates in the Indian debt markets;
- general economic conditions in India and overseas, and unanticipated volatility in interest rates;
- performance of financial markets in India and globally;
- our inability to successfully diversify our business;
- our inability to recover the annual surveillance fees for our rating business;
- competition in our industry;
- changes in domestic laws, regulations and taxes; and
- our inability to retain our management team, rating committee members and skilled personnel.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 15, 97 and 204 of this Prospectus, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views as of the date of this Prospectus and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although our Company believes the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. None of our Company, the Directors, the Selling Shareholders, the BRLMs, the Syndicate Members, or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. Our Company and the Selling Shareholders will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II: RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. The risks and uncertainties described below together with the other information contained in the Red Herring Prospectus and this Prospectus should be carefully considered before making an investment decision in our Equity Shares. The risks described below are not the only ones relevant to the country, the industry in which our Company operates, our Company or our Equity Shares. Additional risks, not presently known to our Company or that we currently deem immaterial, may also impair our business and operations. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with the sections "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 97 and 204 of this Prospectus, respectively, as well as the other financial and statistical information contained in this Prospectus. If any of the risks described below, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, prospects, financial condition and results of operations could be seriously harmed, the trading price of our Equity Shares could decline, and prospective investors may lose all or part of their investment. Prospective investors should consult their tax, financial and legal advisors about the particular consequences of an investment in this Offer.

This Prospectus also contains forward-looking statements that involve risk and uncertainties. Our Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. See the section "Forward-Looking Statements" on page 14 of this Prospectus.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. Unless otherwise stated, the financial information used in this section is derived from the restated audited financial statements of our Company.

Internal Risk Factors and Risks Relating to our Business

1. Our business and revenues are impacted by changes in the volume of debt instruments issued and bank loans and facilities provided in the Indian debt market. Any reduction in such volumes may adversely affect our business, results of operations and financial performance.

We are primarily engaged in the business of providing credit rating services. During the financial years ended March 31, 2010, 2011 and 2012, 89.3%, 96.0% and 86.4%, respectively, of our unconsolidated total income was on account of our rating services; and during the financial year ended March 31, 2012 and the six months ended September 30, 2012, 85.8% and 86.4%, respectively, of our consolidated total income was on account of our rating services. The balance of our consolidated total income was primarily from investment income during such periods. Demand for our debt rating services is primarily linked to the issuance of debt instruments and the provision of bank loans and facilities in the Indian debt market. Unfavorable financial or economic conditions in India, which either reduce investor demand for debt instruments or bank loans or facilities or reduce the issuers' willingness and ability to issue debt instruments or avail themselves of bank loans or facilities, could reduce the issuance of debt instruments or the demand for bank loans and facilities in India for which we provide rating services. During the financial year 2012, we experienced a decrease in the average size of debt facilities rated by us.

Further, investor preference in the domestic bond market is restricted to higher category ratings. This may continue to constrain the volume of issuance of bonds in the Indian market. Currently, accessing the overseas debt market by Indian borrowers and issuers is regulated, which includes end-use restrictions of such borrowings. Any change in such regulatory regime, which liberalizes accessing overseas markets for raising debt funds, may adversely impact issuance of debt instruments in the domestic market. In the event there is a reduction in the level of debt instruments issued in India, the results of our operations and our financial condition, business prospects and revenues may be adversely affected.

2. Our business and revenues may be adversely impacted by changes in interest rates in the Indian debt markets.

Our Company's revenues and financial condition are primarily linked to the demand for rating services in the Indian debt market. Any increase in interest rates and credit spreads may negatively impact the issuance of debt instruments or demand for bank loans or facilities for which we provide rating services. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, inflation, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors. Due to these factors, interest rates in India have historically experienced a relatively high degree of volatility. Since March 2010, the RBI has attempted to manage inflation by continuously raising key interest rates. The RBI increased the repo rate 13 times from March 2010 to October 25, 2011 from 4.75% to 8.50%. The total volume of debt we rated (excluding bank facilities and others) decreased by 13.6% to Rs. 2,480,400 million in the financial year ended March 31, 2012 from Rs. 2,870,160 million in the financial year 2011. A sustained continuation of higher interest rates could impact growth rates, investment demand and capital expenditure, which may impact the issuance of debt instruments or the demand for bank loans or facilities, and, as a result, impact the demand for our rating services. As a result, our results of operations, financial condition, business prospects and revenues may be adversely affected.

3. ***If the current global economic downturn reduces the volume of debt instruments issued or bank loans and facilities provided in the Indian debt market, our business and results of operations could be adversely affected.***

The current downturn in global economies has led to a decrease in investor confidence, decreased market valuations and liquidity, increased market volatility and a widespread reduction of business activity generally. Credit market disruptions, together with an economic slowdown, have negatively impacted the volume of debt instruments issued in global debt markets and the demand for bank loan or facility financing. In addition, market volatility has increased in the past year as a result of the European sovereign debt crisis, and the resulting economic turmoil may worsen industry conditions or have other unforeseen consequences, leading to uncertainty about future industry conditions. There can be no assurance that government responses to the disruptions in the financial markets will restore consumer confidence, stabilize the markets or increase liquidity and the availability of credit.

Further, the rapid deterioration of the mortgage markets in the United States and Europe starting in 2008 was followed by global economic turmoil, which also affected the Indian economy as a whole. These and other related events, such as the collapse of a number of financial institutions, have had and continue to have a significant adverse impact on the availability of credit and confidence in the financial markets globally, as well as in India. There can be no assurance that current market conditions will not deteriorate again to such an extent, which may have an adverse impact on our business, results of operations and financial results.

The timing, nature, extent and sustainability of any recovery in the global credit and other financial markets remain uncertain and there can be no assurance that overall market conditions will improve in the future. A sustained period of market decline or weakness, especially if it relates to the domestic debt market, could have an adverse effect on our business and financial results. Other factors that could further reduce investor demand for debt instruments or factors that could reduce issuers' willingness or ability to issue such securities include increases in interest rates or credit spreads, continued volatility in the financial markets or the interest rate environment, significant regulatory, political or economic events, foreign exchange fluctuations, the use of alternative sources of credit, including financial institutions and government sources, defaults of significant issuers and other unfavorable market and economic conditions, both domestically and globally. These factors could further reduce borrowers' demand for bank loans or facilities, as well. Continuation or worsening of the global downturn or general economic conditions may have an adverse effect on our business, liquidity and results of operations.

4. ***Our business is concentrated in the rating of debt instruments and bank loans and facilities; if we are not able to diversify our business, our financial condition and results of operations may be adversely affected.***

We are primarily engaged in the business of providing rating services for debt instruments and bank loans and facilities in the Indian debt market. During the financial years ended March 31, 2010, 2011 and 2012, 89.3%, 96.0% and 86.4%, respectively, of our unconsolidated total income was on account of our rating services; and during the financial year ended March 31, 2012 and the six months ended September 30, 2012, 85.8% and 86.4%, respectively, of our consolidated total income was on account of our rating services. The balance of our consolidated total income was primarily from investment income during such periods. We intend to diversify our ratings business by expanding our income generating pool of products, developing our business in markets outside of India and growing our research business. For example, we have launched new products, such as the SME rating, the MSE rating, Edu-grade, Equi-grade, Real Estate Star Ratings and valuation of market linked debentures, in order to expand our pool of products; we have expanded our ratings business into the Republic of Maldives and we intend to expand our ratings business in other countries, including Nepal and Mauritius, and we provide technical assistance to Summa Ratings S.A., Ecuador with respect to providing credit ratings, among other services. In order to grow our research business, we are actively targeting financial intermediaries, corporate, analysts and policy makers to market our research products and increase awareness of our research reports and capabilities, among other efforts. In addition, we have acquired a 75.1% equity interest in Kalypto, a firm providing risk management software solutions, and we are exploring opportunities on an exclusive basis with Riskmap Consulting Limited, a Nigerian risk management consulting company to provide risk management solutions and training in risk management practices to banks and financial institutions in Nigeria. We have also entered into a non-binding memorandum of understanding with four credit rating agencies, each located in Brazil, Portugal, Malaysia and South Africa, to establish an international credit rating agency, which would provide international scale ratings to assist local issuers in mobilizing resources from international financial markets. Pursuant to our agreements with foreign credit rating agencies, in relation to our ongoing diversification initiatives, we may be precluded from entering into joint ventures or other tie-ups in countries where such foreign rating agencies operate.

Our diversification efforts involve several risks and may lead to losses or lower returns from such activities. For instance, expansion of our network for SME and MSE ratings (which are for ratings to small and medium enterprises and small-scale industries, respectively) involves lower margins as compared to providing rating services to debt instruments and for bank loans and facilities. This is primarily on account of comparatively lower ticket size and consequently lower revenue per customer. This, coupled with costs associated with setting up this new business has led to a reduction in our operating margins for the financial years 2011 and 2012 (which, for the financial year 2012 was partially offset by an increase in investment income), and consequently affected our results of operations. Our unconsolidated profit after tax margin was 56.4%, 51.1% and 53.3% for the financial years 2010, 2011 and 2012, respectively; and our consolidated profit after tax margin was 52.9% for the financial year 2012. If we are unable to successfully diversify our business, we will continue to depend primarily on the business of providing rating services for debt instruments and bank loans and facilities to generate a substantial part of our income, and any adverse movement in our rating services business may adversely impact our business prospects, financial condition and results of operations.

5. If the banks whose clients avail credit rating services under the Basel II framework migrate to the internal rating based approach for credit risk (the "IRB Approach"), it could have an adverse effect on our rating business, which may in turn have an adverse effect on our business, financial condition, results of operations and revenues.

RBI has pursuant to a circular dated July 7, 2009 advised banks that they may apply for migration to an "internal rating based" approach for measuring credit risk from April 1, 2012 onwards. The IRB Approach will allow the banks, subject to the approval of RBI and fulfilling certain requirements, as may be applicable, to use their own internal estimates for some or all of the credit risk components in determining the capital requirement for a given credit exposure. RBI has pursuant to a circular dated December 22, 2011 (the "**Circular**") issued guidelines for computing the credit risk capital charge under the IRB Approach. As per the timeframe specified for implementation of the IRB Approach as set forth in the Circular, RBI may, subject to an 18 months detailed analysis of the applicant bank, commence grant of approvals by March 31, 2014. For further details, see "Regulations and Policies - Internal rating based approach for banks" on page 115 of this Prospectus. Our income from bank facilities (Basel II) instruments comprises of initial rating income, as well as annual surveillance income. Initial rating income received from such instruments for the financial years 2010, 2011 and 2012 was Rs. 410.54 million, Rs. 467.04 million and Rs. 445.73 million, respectively, which constituted 30.2%, 28.3% and 23.7%, respectively, of our unconsolidated total rating income for such periods, and initial rating income received from such instruments for the six months ended September 30, 2012 was Rs. 184.77 million, which constituted 20.6% of our consolidated total rating income for such period. In the event that banks whose clients avail credit services from us apply for, and receive, approval from RBI to adopt the IRB Approach, it could have an adverse effect on our rating business, which may in turn have an adverse effect on our business, financial condition, results of operations and revenues.

6. ***We may not be able to recover the annual surveillance fees for our rating business.***

As the rating of debt instruments and bank loans and facilities which are accepted and used by our clients must remain under surveillance until the entire debt is repaid, we continue to charge an annual surveillance fee over the lifetime of the debt instrument or bank loan or facility, which provides us with annuitized revenue. From the financial year 2012 onward, we recognize as income a portion of the surveillance fee commensurate with the efforts involved on the date of the surveillance activity, while the balance of the surveillance fee is recorded equally over the 12 months surveillance period commencing one year after the date the rating is assigned. There have been instances in the past when clients have not paid all or part of the annual surveillance fees. In accordance with the accounting policies adopted by the Company, surveillance fees not received at the end of the second financial year after the financial year in which the fees were booked are considered as bad debt. Bad debts written off for the financial years 2010, 2011 and 2012 and provisions for bad debts made for the six months ended September 30, 2012 in respect of surveillance fees were Rs. 0.11 million, Rs. 0.36 million, Rs. 1.00 million and Rs. 1.00 million, respectively. We cannot assure you that we will be able to recover part or all of the surveillance fees in the future and failure to recover such fees may adversely affect our revenues, results of operations and financial condition.

7. ***Competition may affect market share or profitability which could have an adverse effect on our business, financial condition and revenues.***

The credit rating and financial services markets are constantly evolving and the market for such services is becoming increasingly competitive. We compete with our competitors on the basis of investor and market acceptance, sector-specific knowledge, methodologies, quality of products and client service. Our competitors and other financial services companies may introduce new products and services and sophisticated technological advancements to anticipate client requirements and provide innovative solutions to clients. Our competitors may also adapt to the introduction of new financial instruments faster than we are able to, which may result in a loss of ratings business or clients for us. Some of our competitors are subsidiaries of, or otherwise related to, international rating agencies, which may provide them with a competitive advantage in terms of reputation, expertise and access to technology. Additionally, we have faced, and may in the future face, increased pricing pressure from our competitors. If our pricing and services are not sufficiently competitive with our current and future competitors, we may lose market share. We may also compete with new rating agencies that enter the market in the future, as well as rating agencies in new markets that we enter.

As a part of our efforts to compete effectively, we have adopted a fixed fee cap model for certain clients for a particular duration of time. Once the fee cap is exhausted, we are, as part of our terms of engagement with such clients, restricted from charging them any additional fees for additional debt issuances or bank loans or facilities availed for the duration of the period agreed. If we are unable to negotiate fee caps with these clients at appropriate levels and if we exhaust the fee cap, we will be required to continue to perform our services in accordance with the terms agreed with such clients for no additional fees. If this occurs with a large number of clients, our business, results of operations and profitability could be adversely affected.

8. ***Any damage to the trust and confidence that our Company's clients have in us, which is largely dependent on our brand recognition and reputation, may adversely affect our business, financial performance and results of operations.***

Our Company's business is largely dependent on our brand recognition and reputation. To the extent that the rating agency business as a whole has suffered a loss in credibility in the course of the credit crisis in recent times, or may lose credibility in the future, our business could be adversely affected. Factors that may have already affected credibility of the ratings industry globally include the appearance of a conflict of interest, the timing and nature of changes in ratings, adverse publicity as to the rating process and compliance failures. In this regard, prominent investment grade defaults or failure to accurately assess the credit worthiness of instruments rated by us could result in the erosion of investor confidence in our services and could negatively affect our brand and reputation, which would adversely affect our business, operations and financial condition.

In addition, rating agencies in other countries, particularly the United States, are currently facing a greater amount of litigation than has historically been the case from parties claiming damages relating to ratings actions, as well as other related business practices. Due to the difficult economic times and turbulent markets over the last several years, the market value of credit-dependent instruments has declined and defaults have increased, significantly increasing the number of legal proceedings and investigations involving international rating agencies.

A proceeding alleging negligence on the part of our Company, in relation to a certain rating issued by us, is currently pending. For details of such pending proceeding, see "Outstanding Litigation and Material Developments" on page 223 of this Prospectus. We cannot assure you that no such proceedings shall be filed against us in the future. Any adverse outcome of such proceedings may have an adverse effect on our reputation or may require us to pay damages or penalties. Further, if any proceedings are initiated against our Company in relation to investor grievance, our reputation may be damaged and we may not have sufficient insurance to cover costs arising out of such litigation or proceedings. Any damage to our reputation may adversely affect our business, future financial performance and results of operations.

9. Significant security breaches, breakdowns in our computer systems and network infrastructure, or fraud could adversely impact our business.

Physical or electronic break-ins, security breaches, other disruptive problems caused by our increased use of the internet and computer systems could affect the security of confidential information stored in and transmitted through our systems and network infrastructure. We seek to protect our computer systems and network infrastructure from physical break-ins, as well as security breaches and other disruptive problems. Computer break-ins and power disruptions could affect the security of confidential information stored in and transmitted through these computer systems and networks. These concerns will intensify with the increased use of technology and internet-based resources. To address these issues and to minimize the risk of security breaches we employ security systems, including firewalls and intrusion detection systems, conduct periodic penetration testing for identification and assessment of potential vulnerabilities and use encryption technology for transmitting and storing critical data. However, these systems may not guarantee prevention of break-ins, damage and failure in our computer systems and network infrastructure. A significant failure in security or back-up measures could have an adverse effect on our business, future financial performance and results of operations.

Although we have taken measures to safeguard against system-related and other fraud, and we have not experienced fraudulent acts against us in the past, there can be no assurance that we would be able to prevent fraud or other breaches of confidentiality with respect to our clients. Our growth and expansion to new product lines may create additional challenges with respect to managing the risk of fraud due to the increased complexities in our business and geographical dispersion. Our reputation could be adversely affected by fraud or breach in confidentiality that we owe towards our clients committed by employees, clients or third parties.

10. We are dependent on the expertise of our management team, rating committee members and skilled personnel, and our business, results of operations and financial condition may be adversely impacted by the departure of any members of our management team, rating committees or any skilled personnel. Further, we do not have any keyman insurance policy.

Our performance and success depends largely on our ability to retain the continued service of our management team, rating committee members and skilled personnel who can perform functions such as sophisticated credit and financial analysis. We also face a continuing challenge to recruit a sufficient number of suitably skilled personnel, particularly as we continue to grow. There is significant competition for management and other skilled personnel in the financial services industry in which we operate, and it may be difficult to attract and retain the personnel we require in the future. Further, we do not have a keyman insurance policy to cover for the loss of skilled personnel.

We have experienced high employee attrition rates in the past. Our attrition levels may add to increasing personnel expenditures. Further, our competitors and other financial services entities may offer better compensation packages and incentives to such personnel. In the event we are not able to attract and retain talented employees, as required for conducting our business, or we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, financial condition and operations may be adversely affected.

11. We depend on our clients and third parties for the adequacy and accuracy of information relating to such clients and any misrepresentation, errors or incompleteness of such information could cause our business, results of operations and financial condition to suffer.

The quality of information made available to us in the rating process at times may not be independently verifiable. While we have a systematic feedback method by which we gather this information, we have to depend largely on clients and third party sources to obtain information relating to our clients. We may also rely on representations as to the accuracy and adequacy of our information. Inadequacy or inaccuracy of information may expose us to the risk of giving an inappropriate rating. This may in turn impact our reputation and result in legal or regulatory action against us, thereby affecting our business, results of operations and financial condition.

12. If we are not able to adequately manage our growth strategy, we will not be able to sustain our growth level, which may reduce our profitability.

We have experienced high growth in recent years and we expect our business to continue to grow, in India and internationally. Our unconsolidated revenue from operations has increased from Rs. 519.70 million for the financial year 2008 to Rs. 1,889.82 million for the financial year 2012, at a CAGR of 38.1%. Our unconsolidated profit after tax has increased from Rs. 266.85 million for the financial year 2008 to Rs. 1,157.02 million for the financial year 2012, at a CAGR of 44.3% during such period. Although we plan to continue to expand our scale of operations through organic growth and investments in other entities, we may not grow at a rate comparable to our growth rate in the past, either in terms of income or profit. We expect our future growth to place significant demands on our management and operations, and require us to continuously evolve and improve our financial, operation and other internal controls across the organization.

In addition, we intend to continue expanding our geographic reach. We cannot assure you that we will be able to consummate acquisitions or alliances in the future on terms acceptable to us, or at all, and further that the integration of any future acquisitions or alliances will be successful or that the expected strategic benefits of any future acquisitions or alliances will be realized. Our inability to identify suitable targets or investments, obtain the required regulatory approvals, or complete such transactions effectively, or at all, may affect our competitiveness and our growth prospects.

In November 2011, we acquired a 75.1% equity interest in Kalypto, a company providing risk management software solutions with a focus on enterprise risk management for banking, insurance and other financial institutions. We cannot provide assurance that Kalypto will perform as per our expectations, which may lead to the acquisition cost exceeding the value generated from the business, and losses from the acquired business may affect our consolidated results of operations and financial condition. Kalypto had a loss of Rs. 3.65 million and Rs. 5.26 million, respectively, during the financial year 2012 and for the six months ended September 30, 2012. Pursuant to a put option (exercisable between April 1, 2015 and March 31, 2017) that the employee shareholders of Kalypto have, they may choose to sell their shares to us at a price based on a pre-agreed pricing formula, and the amount that we may be required to pay upon exercise of this option may be in excess of the value of such shares at that point in time.

Any acquisition we complete, including the acquisition of Kalypto, may not result in long-term benefits to us. The lack of profitability of any of our acquisitions or alliances could have an adverse effect on our results of operations. Acquisitions and alliances also typically involve a number of other risks, including diversion of management's attention; legal liabilities; ineffectiveness or incompatibility of acquired technologies or services; additional financing required to make contingent payments or capital expenditures; potential loss of key employees of an acquired business and cultural challenges associated with integrating employees; inability to maintain key business relationships, customers or the reputation of an acquired business; disputes or differences with minority shareholders of the acquired business; and economic, political, social and currency risks associated with foreign acquisitions, any of which could have an adverse effect on our business, results of operations and financial condition.

13. We have made investment in bonds, debentures and other securities, the returns on which would be adversely impacted by changes in the interest rates and volatility in the financial markets.

We have made and intend to continue making investments in fixed maturity plans of debt mutual funds, gilt and other income schemes, tax free bonds, commercial paper, certificates of deposit, equity funds and gold ETFs. Such investments as on September 30, 2012 were Rs. 3,375.18 million, which accounted for 68.3% of our consolidated total assets as of September 30, 2012, and our consolidated income from investments was Rs. 280.21 million and Rs. 126.34 million for the financial year ended March 31, 2012 and the six months ended September 30, 2012, respectively, which accounted for 12.8% and 12.2% of our consolidated total income during such periods. Changes in interest rates and volatility in the financial markets may adversely affect our income from such investments and the market value of our securities portfolio.

14. We have recently introduced new products and may in the future continue to do so, which may prove to be difficult to manage or may not be successful, which could adversely affect our business.

In the last five years, we have introduced various rating and grading services offerings, such as real estate star grading, grading of educational institutions, grading of ESCOs, RESCOs, equity grading and valuation of market linked debentures, among others. There can be no assurance that we will achieve success in relation to the new products launched by us. This could hamper our growth prospects and may also adversely impact our reputation.

We may incur substantial costs in expanding our range of products and cannot guarantee that such new products will be successful once they are offered as a result of circumstances beyond our control, such as general economic conditions, or due to inherent shortcomings of such products. In addition, we may not correctly anticipate our clients' needs or desires, which may change over time. In the event that we fail to develop and launch new products successfully, we may lose any or all of our investments that we have made in developing and promoting them, and our reputation with our clients would be harmed and our market position or market share would be at risk. In addition, if our competitors are better able to anticipate the needs of the clients in our target markets, our market share could decrease and our business could be adversely affected.

15. Material changes in the regulations that govern our business could adversely affect our results of operations.

A portion of our ratings business is driven by regulatory requirements or requires accreditation, recognition or approval from government authorities. For example, we are recognized by RBI as an eligible credit rating agency for Basel II implementation in India, commercial paper is mandatorily rated in India, and IPO gradings are mandated by SEBI. In the event that there are changes to these regulations or norms, or if there are changes to the requirements for issuers to compulsorily rate certain instruments or for certain investors to invest in rated instruments, there may be a decrease in the demand for ratings. Demand for ratings may also decrease if there is a change in regulations which negatively impacts the volume of debt instruments issued or the demand for bank loans or facilities in the domestic markets. A decrease in demand for ratings would affect our business, revenues and financial condition.

The Ministry of Finance, Capital Market Division, in December 2009, published a report on "Comprehensive Regulation for Credit Rating Agencies", to reflect on the inter regulatory issues emanating from activities of credit rating agencies, wherein the High Level Co-ordination Committee on Financial Matters discussed recommendations designed to strengthen provisions relating to conflict of interest and improve transparency, disclosures and accountability of credit rating agencies, which among other things proposed an amendment to the CRA Regulations for requirement of prior approval of SEBI for any change in status or constitution or change in control of credit rating agencies. Subsequently, SEBI through its notifications dated March 19, 2010 and June 17, 2011 amended the CRA Regulations as per which the credit rating agencies now require prior approval from SEBI for any change in control.

Other recommendations that were proposed include (i) additions or amendments to extant regulations to address regulatory concerns of RBI, IRDA and PFRDA; (ii) upgrading skills for greater due diligence and formulation of comprehensive written surveillance procedures; (iii) replacing 'issuer-pay' model with 'investor or regulator-pay model'; (iv) periodical process and compliance audits; and (v) disclosures by credit rating agencies in relation to termination of its services arrangement by a client and assigning reasons for the same. In the event recommendations proposed by the committee are implemented, the terms of which may not be favorable to credit rating agencies in India, it could have an adverse effect on our business, revenues and financial condition.

Also, we are subject generally to changes in Indian laws, regulations and government policies. See the section "Regulations and Policies" on page 114 of this Prospectus. The laws and regulations governing us could change in the future, with retrospective or prospective effect, and any such changes could affect our business, future financial performance and results of operations.

16. ***We have limited experience in markets outside of India and failure with respect to opportunities we explore outside of India could have an adverse effect on our results of operations and financial performance.***

Part of our growth strategy includes entering new markets to provide rating services in foreign markets and to provide technical assistance services to foreign rating agencies. In the financial year 2011, we launched a rating business in the Republic of Maldives, where we have completed two rating assignments, and we intend to further expand into other countries, including Nepal and Mauritius, for providing rating services, which would require management time and monetary resources, among other requirements. In addition, we provide technical assistance to Summa Ratings S.A., Ecuador with respect to providing credit ratings, among other services. Failure to understand or comply with relevant local regulations could have a detrimental effect to our international business operations. In addition, our strategy to enter new markets may not be successful due to other factors, such as entry barriers, competition or due to commercial requirements to employ promotional pricing schemes for our services, any of which may have an adverse impact on our business and financial condition.

17. ***We require certain regulatory approvals in the ordinary course of our business, which, if not received in the time frame anticipated, could adversely affect our business.***

We are regulated by the CRA Regulations, the Companies Act and the Republic of Maldives Capital Market Development Authority and are subject to supervision and regulation by SEBI. Further, in terms of the CRA Regulations, we are required to obtain prior approval of SEBI to undertake any change in control. We and our employees are not allowed to render, directly or indirectly any investment advice about any security in the publicly accessible media in terms of the CRA Regulations. In accordance with such regulations and law applicable to us, we require certain regulatory approvals, sanctions, licenses, registrations and permissions for operating our business and for forming a wholly-owned subsidiary or entering into joint ventures in other countries. In connection with our business, we may require such approvals or their renewal from time to time. We have been granted a certificate of permanent registration as a credit rating agency by SEBI under the CRA Regulations, however, such certificate is subject to certain conditions as per the CRA Regulations and any breach of such conditions or other stipulations under applicable law may result in suspension or cancellation of the certificate by SEBI. Further, we will require approval or no objection from RBI and SEBI for a proposed joint venture we are considering entering into in Nepal and other jurisdictions. We may not receive such approvals or renewals in the time frames anticipated or at all, which could adversely affect our business. Also see risk factor "Material changes in the regulations that govern our business could adversely affect our results of operations" on page 21 of this Prospectus and the sections “Regulations and Policies” and “Governmental and Other Approvals” on pages 114 and 228, respectively, of this Prospectus.

18. Failure of our knowledge management and disaster recovery systems may affect our business.

We recognize that knowledge is core to the products and services we deliver. Accordingly, we have knowledge management systems that are mapped, documented and continually updated and we undertake measures for disaster protection and downtime reduction. However, in the event that such systems fail due to technical reasons or lack of efficient management, we could lose data critical to our business and this in turn could affect our business, operations and financial condition. Additionally, all our back-up operations are carried out at our office in Ahmedabad. In the event there is any disruption of our operations in Ahmedabad or with respect to our i3 Interface, our business may be adversely affected.

19. There are outstanding legal proceedings against our Company, one of our Directors and our Subsidiary, which if determined adversely may have a material adverse impact on their financial condition and results of operations.

There are outstanding legal proceedings involving our Company, one of our Directors and our Subsidiary. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate tribunals. These include public interest litigation filed against our Company (amongst others) with respect to the rating granted to the fixed deposit scheme of CRB Capital Markets Limited. Should any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in the financial statements of our Company, which could increase our expenses and liabilities. We cannot assure you that these legal proceedings will be decided in our favor. A summary of such legal proceedings is provided in the following tables:

Litigation against our Company

Nature of Litigation	Number of Outstanding Litigation	Amount Involved (Rs. in millions)
Civil	1	Not determinable
Consumer complaints	1	Not determinable
Income tax proceedings[1]	6	26.53
Notices	3	Not determinable

[1]*For details of disputed and contested tax demands, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case, see “Outstanding Litigation and Material Developments – Litigation against our Company” on page 223 of this Prospectus.*

Litigation against our Directors

Name of Director	Nature of Litigation	Number of Outstanding Litigation	Amount Involved (Rs. in millions)
Venkatraman Srinivasan	Sales tax proceeding	1	474.33

Litigation against our Subsidiary

Nature of Litigation	Number of Outstanding Litigation	Amount Involved (Rs. in millions)
Income tax proceedings[1]	3	Not determinable
Notices	2	-

[1]*For details of disputed and contested tax demands, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case, see the section “Outstanding Litigation and Material Developments – Litigation against our Subsidiary” on page 226 of this Prospectus.*

For further details on these proceedings, see the section “Outstanding Litigation and Material Developments” on page 223 of this Prospectus.

As of September 30, 2012, we had contingent liabilities of Rs. 26.53 million on account of claims against us not acknowledged as debt. We cannot assure you that these contingent liabilities will not become direct liabilities. If these contingent liabilities fully materialize, our financial condition and results of operations could be affected. See the section "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 204 of this Prospectus.

20. Some of our business premises are on leased properties and any failure to renew such leases or renewal of such leases on terms unfavourable to us may affect our business operations.

Our business premises in Ahmedabad, Kolkata and New Delhi in India and Male in the Republic of Maldives have been obtained on lease and are not owned by us. Any failure to renew the lease agreements on terms and conditions favourable to us may require us to shift the concerned office to new premises. This may cause a disruption in our operations or result in increased costs, or both, which may adversely affect our business and results of operation.

21. The infringement of, or our inability to register intellectual property rights could adversely affect our business. Currently our trademarks are pending registration.

On September 22, 2011, we applied to register the trademark ' ' and ' ' as well as other trademarks related to our business; however, we do not currently have any registered trademarks. The infringement of, or the inability to register our trademarks, copyrights, logo and other intellectual property rights could adversely affect our business. We depend in large part on the "CARE" brand and believe it is very important to our business. Further, registration of trademarks is a time consuming process, and there is no assurance that any such registration will be granted. In addition, such registration may be inadequate to prevent imitation by others. Any litigation to protect our Company's name and logo may require significant commitment of time on the part of the management and may require significant expenditure as well. We cannot assure you that the steps we take to obtain, maintain and protect our intellectual property rights will be adequate, which could adversely affect our business, results of operations and financial condition.

22. This Offer is an offer for sale and does not entail a fresh issuance of Equity Shares by our Company and consequently, we will not receive any proceeds from this Offer.

This Offer is being made by the Selling Shareholders and there is no fresh issue by our Company. Accordingly, we will not receive any portion of the funds raised by the sale of our Equity Shares in this Offer. The primary objects of the Offer are to achieve the benefits of listing of our Equity Shares and carry out the divestment of Equity Shares by the Selling Shareholders.

23. We have entered into, and may in future continue to enter into, related party transactions, and we cannot assure you that we could not have achieved more favorable terms with unrelated parties.

We have entered into transactions with certain related parties. For more information regarding our related party transactions, see the section "Related Party Transactions" on page 139 of this Prospectus. While we believe that all our related party transactions have been conducted on an arm's length basis, we cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations and prospects.

24. In addition to normal remuneration or benefits and reimbursement of expenses, some of our Directors and key managerial personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.

Our Directors and key managerial personnel are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Directors and key managerial personnel may also be interested to the extent of their shareholding and dividend entitlement in our Company. For further information, see "Capital Structure" and "Our Management" on pages 60 and 122, respectively, of this Prospectus.

External Risk Factors

25. Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of client confidence and adversely affect the financial markets and our business.

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. In addition, the Asian region has from time to time experienced instances of civil unrest and hostilities among neighboring countries. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India, such as the attacks in Mumbai in November 2008 and in July 2011, might result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Additionally, political unrest in Maldives since early 2012 has adversely affected our local operations in that country. Events of this nature in the future, as well as social and civil unrest within other countries in Asia or other countries where we have operations could influence the Indian economy and could have an adverse effect on our business, results of operations and financial condition, and on the market for securities of Indian companies, including our Equity Shares.

26. Our Equity Shares have never been publicly traded and after this Offer, our Equity Shares may experience price and volume fluctuations and an active trading market for our Equity Shares may not develop. Further, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price, or at all.

Prior to the Offer, 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 Offer. Listing and quotation does not guarantee that a market for our Equity Shares will develop, or if developed, the liquidity of such market for our Equity Shares. The Offer Price of our Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of our Equity Shares at the time of commencement of trading of our Equity Shares or at any time thereafter. The market price of our Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in the operating results of our Company, market conditions specific to the industry we operate in, developments relating to India and volatility in the Stock Exchanges and securities markets elsewhere in the world.

27. There are restrictions on daily movements in the price of our 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.

Subsequent to listing, our Company may be subject to a daily circuit breaker imposed on listed companies by BSE and NSE which does not allow transactions beyond certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our Company's circuit breaker is set by the stock exchanges based on certain factors such as the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker, if imposed, would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

28. A third party could be prevented from acquiring control of us because of anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. These provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of us.

Although these provisions have been formulated to ensure that interests of investors and shareholders are protected, these provisions may discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of SEBI Takeover Regulations.

29. We cannot assure you that our Equity Shares will be listed on the BSE and the NSE in a timely manner or at all, which may restrict your ability to dispose of the Equity Shares.

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after the Equity Shares offered in this Offer have been Allotted. Approval will require all other relevant documents authorizing the issuing of the Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the BSE and the NSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

Further, 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 are expected to be credited within three Working Days of the date on which the Basis of Allotment is approved by the Designated Stock Exchange. Thereafter, upon receipt of final approval from the Designated Stock Exchange, trading in the Equity Shares is expected to commence within 12 Working Days from Bid/Offer 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 the Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining the approvals would restrict your ability to dispose off your Equity Shares.

30. Any future issuance of Equity Shares may dilute your shareholdings, and sales of the Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.

Any future equity issuances by our Company may lead to the dilution of investors' shareholdings in our Company. In addition, any sales of substantial amounts of the Equity Shares in the public market after the completion of this Offer, including by our major shareholders, or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could materially impair our future ability to raise capital through offerings of the Equity Shares. We cannot predict what effect, if any, market sales of the Equity Shares held by the major shareholders of our Company or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

31. The occurrence of natural disasters may adversely affect our business, financial condition and results of operations.

The occurrence of natural disasters, including hurricanes, floods, earthquakes, tornadoes, fires and pandemic disease may adversely affect our financial condition or results of operations. The potential impact of a natural disaster on our results of operations and financial position is speculative, and would depend on numerous factors. The extent and severity of these natural disasters determines their effect on the Indian economy. Although the long term effect of diseases such as the H5N1 "avian flu" virus, or H1N1, the swine flu virus, cannot currently be predicted, previous occurrences of avian flu and swine flu had an adverse effect on the economies of those countries in which they were most prevalent. An outbreak of a communicable disease in India would adversely affect our business and financial conditions and results of operations. We cannot assure prospective investors that such events will not occur in the future or that our business, financial condition and results of operations will not be adversely affected.

32. Significant differences exist between Indian GAAP and IFRS, including with respect to valuation methods and accounting practices in the credit rating industry, which may be material to the restated financial statements prepared and presented in accordance with SEBI Regulations contained in this Prospectus.

As stated in the reports of the Auditor included in this Prospectus at pages 141 and 169 of this Prospectus, the restated financial statements included in this Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI Regulations, and no attempt has been made to reconcile any of the information given in this Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as IFRS. Significant differences exist between Indian GAAP and IFRS, including with respect to valuation methods and accounting practices in the credit rating industry, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Prospectus. Accordingly, the degree to which the financial information included in this Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Prospectus should accordingly be limited.

33. We will be required to prepare our financial statements in accordance with IFRS effective from the date to be notified by Ministry of Company Affairs, Government of India. There can be no assurance that adoption of 'Indian Accounting Standards converged with IFRS ("IND-AS") will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IND-AS from the date to be notified by Ministry of Company Affairs, Government of India could have an adverse effect on the price of our Equity Shares.

Based on the current timeline announced for convergence of 'Indian Accounting Standards' with IFRS for Indian companies, it is estimated that the earliest that we would need to prepare annual and interim financial statements under IND-AS would be the financial period commencing from the date to be notified by Ministry of Company Affairs, Government of India. There is currently a significant lack of clarity on the adoption of, and convergence to IND-AS and we currently do not have a set of established practices on which to draw on in forming judgments regarding its implementation and application, and we have not determined with any degree of certainty the impact that such adoption will have on our financial reporting. There can be no assurance that the financial condition, results of operations, cash flows of our Company or changes in shareholders' equity will not appear materially worse under IND-AS than under Indian GAAP. As we transition to IND-AS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, there is increasing competition for the small number of IFRS-experienced accounting personnel as more Indian companies begin to prepare IND-AS financial statements. There can be no assurance that adoption of IND-AS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IND-AS from the date to be notified by Ministry of Company Affairs, Government of India could have an adverse effect on the price of our Equity Shares.

34. Our business and activities may be regulated by the Competition Act, 2002.

The Competition Act, 2002 (the "Competition Act") seeks to prevent business practices that have a material adverse effect on competition in India. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause a material adverse effect on competition in India is void and attracts substantial monetary penalties. Any agreement that directly or indirectly determines purchase or sale prices, limits or controls production, shares the market by way of geographical area, market, or number of customers in the market is presumed to have a material adverse effect on competition. Provisions of the Competition Act relating to the regulation of certain acquisitions, mergers or amalgamations which have a material adverse effect on competition and regulations with respect to notification requirements for such combinations came into force on June 1, 2011. The effect of the Competition Act on the business environment in India is unclear. If we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the Competition Commission of India, or any adverse publicity that may be generated due to scrutiny or prosecution by the Competition Commission of India, it may have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

35. You may be subject to Indian taxes arising out of capital gains on sale of Equity Shares.

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if securities transaction tax (**"STT"**) has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realised on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. See the section "Statement of Tax Benefits" on page 75 of this Prospectus.

Prominent Notes

1. Public Offer of 7,199,700 Equity Shares for cash at a price of Rs. 750 per Equity Share (including a share premium of Rs. 740 per Equity Share) aggregating to Rs. 5,399.78 million through an offer for sale by the Selling Shareholders. The Offer will constitute 25.22% of the post-Offer paid up Equity Share capital of our Company.

2. Our Company's net worth, as at September 30, 2012 was Rs. 4,266.13 million, as per our Company's consolidated financial statements and Rs. 4,268.20 million, as per our Company's unconsolidated financial statements.

3. As at September 30, 2012, the book value per Equity Share was Rs. 149.41, as per our Company's consolidated financial statements and Rs. 149.48, as per our Company's unconsolidated financial statements.

4. Our Company does not have an identifiable promoter.

5. For details of related party transactions entered into by our Company during the financial year 2012, including with Kalypto, see the section "Related Party Transactions" on page 139 of this Prospectus.

6. There has been no financing arrangement whereby the Directors and their relatives have financed the purchase by any other person of securities of our Company other than in normal course of the business of the financing entity, during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus with SEBI.

7. Investors at large may contact the BRLMs for complaints, information or clarifications pertaining to the Offer. However, no selective or additional information will be available or provided to a section of investors in any manner whatsoever. All grievances relating to ASBA process may be addressed to the Registrar, with a copy to the relevant SCSBs, giving full details such as name, address of the applicants, number of Equity Shares applied for, Bid Amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the Bid cum Application Form has been submitted by the ASBA Bidder.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

Overview of the Indian Economy

India, with a Gross Domestic Product (GDP – Purchasing Power Parity) of $4,515 billion at the end of 2011, is the fourth largest economy in the world after the European Union, United States and China (*Source: CIA Factbook*). Barring financial year 2009, the economy has registered a growth of 8% and above during the period from financial year 2006 to financial year 2011. Growth slowed down to 6.5% in the financial year 2012 (at constant 2004-05 prices).

YoY growth (%)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Q1 FY 2013
GDP	9.5	9.6	9.3	6.7	8.4	8.4	6.5	5.5
Agriculture	5.1	4.2	5.8	0.1	1.0	7.0	2.8	2.9
Industry	9.7	12.2	9.7	4.4	8.4	7.2	3.4	3.6
Services	10.9	10.1	10.3	10.0	10.5	9.3	8.9	6.9

Source: Central Statistical Organisation, India

The global financial crisis also hit the Indian economy and economic growth slowed to 6.7% in the financial year 2009. However, with buoyant domestic demand, accommodative policies and stimulus packages announced by the Government, the macroeconomic environment improved in the later year and the economy registered a growth of 8.4% in the financial year 2010.

The economy grew at a higher rate in the financial year 2011 and registered an impressive growth of 8.4%. The high growth in GDP came from all the sectors: the agricultural sector expanded by 7%, the manufacturing sector grew at 7.6%, the construction sector expanded by 8.0% and the mining sector grew at 5.0%. The service sector was also buoyant and grew at 9.3% (*Source: Central Statistical Organisation, India*).

Economic scenario in financial year 2012

In the financial year 2012, GDP growth has been rather subdued at 6.5% (at constant 2004-05 prices) owing to persistent high inflation, high interest rates, high government expenditure on subsidies that contributed to a higher fiscal deficit and a worsening current account deficit largely on account of higher crude oil prices. The absence of continuing economic reforms also weighed on the country's economy. The growth in all the three main sectors – agriculture, industry and services, declined in the financial year 2012. Agriculture and allied activities registered a 3.4% growth in the financial year 2012, over the previous year's 7% growth. Likewise, industry grew 3.4% during the financial year 2012. Within industry, the mining sector registered negative growth of 0.9%, while electricity, gas and water supplies saw healthy growth of 7.9%. Manufacturing and construction experienced growth rates of 2.5% and 5.3%, respectively. The services sector has been the best performing sector with a growth of 8.9%, albeit lower than the previous financial year's 9.3%. Within services, financing, insurance, real estate and business services have registered highest growth at 9.6% in the financial year 2012. (*Source: Central Statistical Organisation, India*).

Economic Scenario in the first quarter of financial year 2013

The economic weakness of the financial year 2012 was seen to be carried into the first quarter of the current financial year 2013. The GDP growth during the first quarter witnessed a drop of 2.5% from that in the corresponding quarter of the previous financial year to 5.5%. Although there was a decline in all three main sectors (agriculture, industry and services), the services sector experienced the sharpest fall of 3.3% to 6.9% in the first quarter of the financial year 2013. The agricultural sector grew by 2.9% during the first quarter, lower than the 3.7% growth in the first quarter of the 2012 financial year. Within industry, while the mining and quarrying and construction sectors saw an improvement in growth from -0.2% and 3.5%, respectively (in the first quarter of financial year 2012) to 0.1% and 10.9%, respectively, in the first quarter of financial year 2013, manufacturing saw a sharp drop in its growth rate to 0.2% from the 7.3% of the first quarter of financial year 2012. Likewise, growth in electricity, gas and water supply declined from 8% to 6.3%. Within services, the trade, hotels, transport and communication segment witnessed the sharpest drop of 9.8% to grow by only 4% during the first quarter of the financial year 2013. The other two main segments of the services sector, financing, insurance, real estate; and business services and community, social and personal services, saw their growth rates rise by 1.4% and 4.7%, respectively, to 10.8% and 7.9% in the first quarter of the financial year 2013 (*Source: Central Statistical Organisation, India*).

On October 4, 2012, the Government approved the 12th five year plan (2012-17) document that seeks to achieve annual average economic growth rate of 8.2%, down from 9% envisaged earlier, in view of fragile global recovery. Industry experts estimate that the infrastructure sector will require investment of approximately USD 1 trillion in the 12th Five Year Plan, double the amount envisaged in the ongoing plan period.

Global Credit Rating Industry

Evolution

The credit rating business traces its origins to the mercantile credit agencies in the United States of America. Their function was to rate merchants' ability to honour their financial obligations. The first such agency was established in New York in 1841 by Louis Tappan. Robert Dun subsequently acquired the agency and published its first ratings guide in 1859. A similar mercantile rating agency was formed by John Bradstreet in 1849.

The expansion of the ratings business to securities rating began in 1909 when John Moody started to rate US railroad bonds, and subsequently utility and industrial bonds. Poor's Publishing Company issued its first ratings in 1916, Standard Statistics Company in 1922, and the Fitch Publishing Company in 1924. In 1941, Poor's Publishing and Standard Statistics merged to become Standard & Poor's Corp. Other international rating agencies include Japan Credit Rating Agency Ltd (JCRA) and A.M. Best amongst others.

With the rapid development of financial markets in Asia, these agencies have entered the market through their regional offices in Singapore, Hong Kong and Japan and through strategic tie-ups with local credit rating agencies.

The Credit Rating Industry in India

Genesis of the Credit Rating Industry

In India, the first credit rating agency, Credit Rating and Information Services of India Limited ("**CRISIL**"), was set up in 1987. A second rating agency, ICRA Limited (then known as, Investment Information and Credit Rating Agency of India Limited) ("**ICRA**") was established in 1991 and a third agency, CARE, was established in 1993. Duff and Phelps Credit Rating India (P) Limited which started its operations in 1996 was renamed Fitch Ratings India Private Limited (Fitch) in 2001 and renamed again to India Ratings and Research Private Limited in 2012. Brickworks Ratings India Private Limited (Brickworks) began its rating business in 2008. SME Rating Agency of India Limited (SMERA) also began its rating business in 2008.

In the initial stages, the rating agencies faced several challenges as the corporate debt market in India was nascent. In 1992, credit rating became mandatory for the issuance of debt instruments with maturity/convertibility of 18 months and above. Subsequently, the RBI guidelines made rating mandatory for issuance of commercial paper. RBI also made rating of public deposit schemes mandatory for NBFCs. Since then credit rating has made rapid strides in terms of the number and value of instruments which have been rated.

Further, in 2003, SEBI along with stock exchanges made ratings mandatory for debt instruments placed under private placement basis and having a maturity of one year or more, which are proposed to be listed. Another reason for increase in the demand for ratings is the restriction on certain classes of investors to invest not more than a stipulated part of their portfolio in unrated bonds. The RBI in 2003 issued prudential guidelines on the management of the non-SLR investment portfolio of all scheduled commercial banks except regional rural banks and local area banks. These guidelines require such institutions to make fresh investment only in rated non-SLR securities.

Similarly, non-government provident funds, superannuation funds, gratuity funds can invest in bonds issued by public financial institutions, public sector companies/banks and private sector companies only when they are dual rated (i.e. rated by at least two different credit rating agencies). Further, such provident funds, superannuation funds, gratuity funds can invest in shares of only those companies whose debt is rated investment grade by at least two credit rating agencies on the date of such investments. Investment by mutual funds and insurance companies in unrated paper/non-investment grade paper is also restricted.

Also, demand for rating services is driven by overall capital mobilization in the economy particularly from the debt markets viz. corporate bonds and commercial paper (or other market linked short term instruments) issuance. Economic growth fuels demand for both investment and operational related funding. In a competitive business environment many industries are also increasingly witnessing trends such as consolidation leading to demand for funding mergers and acquisitions. All these factors result in an increase in funding requirements for Indian corporate entities, which can be met through debt placement in the capital market, bank credit, cross border financing such as external commercial borrowing, foreign currency convertible bonds or equity placement.

Historically, bank credit has been a major source of funding for the corporates. Banks in India enjoy relative advantage of extending loans as different from investing in debt papers, which are not required to be 'marked to market'. This provides them with an advantage in the rising interest rate scenario. Banks in India also enjoy the benefit of lower cost of funding as the interest on savings deposits is regulated. This growth in bank credit has led to growth in debt issuances by banks in India. These banks have raised considerable amounts of debt from market to meet growing capital requirements either by issuing Tier-II bonds or by issuing hybrid bonds.

Further, within Basel II, the second of the Basel Accords which contains recommendations on banking laws and regulations issued by the Basel Committee on banking supervision, various approaches for banks to determine credit risk have been prescribed with progressively increasing risk sensitivity. The RBI introduced a phased approach to the implementation of Basel II in India. In the first stage, Indian banks were required by the RBI to adopt a 'standardized approach' for credit risk. Under the 'standardized approach', the RBI recognized certain rating agencies as eligible credit rating agencies and Indian banks are required to use such eligible credit rating agencies to assess their credit risk in order to determine compliance with capital adequacy requirements. The implementation of Basel II standards by the RBI resulted in large scale demand for credit ratings across sectors and geographies, which was previously limited to a small group of clients.

SUMMARY OF BUSINESS

Overview

We are a leading, full service credit rating company in India, and for the year ended March 31, 2012, we were the second largest rating company in India in terms of rating turnover. We offer a wide range of rating and grading services across a diverse range of instruments and industries. We also provide general and customized industry research reports. Since incorporation in April 1993, we have completed 19,058 rating assignments and have rated Rs. 44,036.03 billion of debt as of September 30, 2012. We had rating relationships with 4,644 clients as of September 30, 2012. Our existing shareholders include domestic banks and financial institutions, such as IDBI Bank, Canara Bank, SBI and IL&FS, among others. For details, see "Capital Structure - Shareholders holding more than 1% of the pre-Offer paid up share capital of our Company" on page 64 of this Prospectus.

We operate as a professionally managed company with a Board of Directors comprising a majority of independent directors. We have an internal rating committee comprising senior executives from our Company and an external rating committee, which comprises a majority of independent members. Our rating committees are the final authorities for assigning ratings on behalf of our Company. We strive for the following values:

- *Integrity and transparency*: A commitment to be ethical, sincere and transparent in our dealings;
- *Pursuit of excellence*: A commitment to strive relentlessly to constantly improve ourselves;
- *Fairness*: Treat clients, employees and other stakeholders fairly;
- *Independence*: We take pride in our independence, are unbiased and fearless in expressing our opinion; and
- *Thoroughness*: We endeavor to do rigorous analysis using advanced techniques of research on every assignment that we undertake.

Our primary focus has been to provide credit rating services in India. We have over 19 years of experience in rating debt instruments and related obligations covering a wide range of sectors, such as manufacturing, services, banks and infrastructure. Our list of clients includes banks and other financial institutions, private sector companies, central public sector undertakings, sub-sovereign entities, small and medium enterprises ("**SMEs**") and micro-finance institutions, among others. We believe we are well equipped to rate most kinds of short, medium and long-term debt instruments, such as commercial paper, bonds, debentures, preference shares and structured debt instruments; bank loans and facilities, both fund-based and non fund-based; and deposit obligations, such as inter-corporate deposits, fixed deposits and certificates of deposit. We also provide issuer ratings and corporate governance ratings and have rated innovative debt instruments, such as perpetual bonds.

We are recognized by the Capital Markets Development Authority, Republic of Maldives to carry out ratings of debt instruments and bank loans and facilities in respect of Maldivian companies, through our office in the Republic of Maldives, and we are focused on expanding our ratings business in other countries, including Nepal and Mauritius, where we intend to provide rating services through joint ventures in the future. We have also been recognized by Bank of Mauritius for using our ratings for risk weighting of bank claims on corporates for capital adequacy purposes. We have also been granted indirect recognition by the Hong Kong Monetary Authority as an external credit assessment institution for the purposes of the regulatory capital framework in Hong Kong. Authorized institutions incorporated in Hong Kong are now permitted to use a rating by us for determining the capital requirements for credit exposure to Indian corporates. We are exploring opportunities to provide risk management solutions and training in risk management practices to banks and financial institutions in Nigeria pursuant to an exclusive memorandum of understanding with Riskmap Consulting Limited, a Nigerian risk management consulting company.

We have entered into a non-binding memorandum of understanding with four credit rating agencies, each located in Brazil, Portugal, Malaysia and South Africa, to establish an international credit rating agency, which would provide international scale ratings to assist local issuers in mobilizing resources from international financial markets. We have received a no objection letter from SEBI to enter into a joint venture for the establishment of an international credit rating agency, subject to satisfaction of certain conditions mentioned therein. For further details, see “Government and Other Approvals – Approvals in relation to the business of our Company in India – Others” and “Government and Other Approvals – Approvals in relation to the business of our Company in India – Approvals to be applied for by our Company” on pages 230 and 231 of this Prospectus. In addition, we provided technical assistance to a rating agency in Mexico and we provide technical assistance to Summa Ratings S.A., Ecuador with respect to providing credit ratings, among other services.

We also have experience in providing specialized grading services, including IPO grading, equity grading, and grading of various types of enterprises, including ESCO, RESCO, shipyards, maritime training institutes, construction companies and rating of real estate projects, among others. We are the leading credit rating agency in India for IPO grading, having graded the largest number of IPOs since the introduction of IPO grading in India. Some of our grading services have been formulated pursuant to a statutory or regulatory regime applicable to the particular sector, such as the ESCO grading under accreditation by the Bureau of Energy Efficiency and the RESCO grading under the aegis of the Ministry of New and Renewable Energy.

Our research team primarily provides in-house research to our ratings team in the form of in-depth research on various sectors. We periodically publish industry research reports covering 39 sectors as of September 30, 2012, have published one-time industry research reports covering three sectors and also publish risk scores reports, called CARE Industry Risk Metrics, covering 109 sectors as of September 30, 2012, which are available on a subscription basis. We also provide customized research covering key areas, such as market sizing, demand estimation, demand supply gap analysis, cost benefit analysis, product segmentation, business analysis and cost indexation, among others, upon request by our clients. We also prepare industry overviews for clients in relation to their capital markets offerings.

Our economics team produces economic research that includes a daily debt market report, a monthly debt market review, budget analysis, other policy impact analysis, special commentaries on topical issues and studies and surveys on the Indian economy. We also analyze global economic developments. These reports are widely circulated to our clients, regulators, banks, mutual funds, government officials and the media. The reports are also available on our website http://www.careratings.com. Our economics team published a research report on the Indian economy in April 2011 for the Ministry of Finance, Government of India.

We are registered with SEBI as a credit rating agency under the CRA Regulations. We are recognized by RBI as an eligible credit rating agency whose ratings may be used by banks for assigning risk weights for credit risk for the implementation of Basel II in India. We are also recognized by RBI for rating fixed deposits of NBFCs and commercial paper and by other statutory authorities and agencies in India for rating and grading services, such as the Ministry of Petroleum and Natural Gas (for LPG/SKO ratings), the Ministry of Defence (for shipyard grading), Directorate General of Shipping (for maritime training institutes grading) and the National Small Industries Corporation Limited (the “**NSIC**”) (for MSE ratings), among others.

We have received ISO 9001:2008 quality management certifications for our head office in Mumbai and six branch offices for the credit rating of debt instruments and facilities, for research services at our head office in Mumbai and for data processing at the CARE Knowledge Centre in Ahmedabad. For details, see “Government and Other Approvals – Approvals in relation to the business of our Company” on page 229 of this Prospectus. We believe that we follow best practices for our industry and adhere to the code of conduct set out by the International Organization of Securities Commissions (“**IOSCO**”) and the Association of Credit Rating Agencies in Asia.

In November 2011, we acquired a 75.1% equity interest in Kalypto, a firm providing risk management software solutions. Pursuant to this acquisition, Kalypto has become a subsidiary of our Company. For details, see “Our Subsidiary” on page 121 of this Prospectus.

Our business has grown consistently since incorporation in 1993, and we have been profitable and paid dividends every year since our first full year of operations. Our unconsolidated total income has increased from Rs. 549.11 million for the financial year 2008 to Rs. 2,171.93 million for the financial year 2012 at a CAGR of 41% during such period; and our unconsolidated total income was Rs. 1,025.38 million for the six months ended September 30, 2012. Our unconsolidated profit after tax has increased from Rs. 266.85 million for the financial year 2008 to Rs. 1,157.02 million for the financial year 2012 at a CAGR of 44.3% during such period, and our unconsolidated profit after tax was Rs. 500.49 million for the six months ended September 30, 2012. Our unconsolidated profit after tax margin was 51.1% and 53.3% for the financial years 2011 and 2012, respectively; our consolidated total income for the financial year 2012 and for the six months ended September 30, 2012, was Rs. 2,187.95 million and Rs. 1,039.74 million, respectively; our consolidated profit after tax for the financial year 2012 and for the six months ended September 30, 2012 was Rs. 1,157.69 million and Rs. 497.75 million, respectively; and our consolidated profit after tax margin was 52.9% and 47.9% for the financial year 2012 and the six months ended September 30, 2012, respectively.

Our Competitive Strengths

Established presence in rating debt instruments and bank loans and facilities

We have over 19 years of experience in rating debt instruments and related obligations covering a wide range of sectors, and as of September 30, 2012, we had rating relationships with 4,644 clients. We believe we are well equipped to rate most kinds of short, medium and long-term debt instruments, such as commercial paper, bonds, debentures, preference shares and structured debt instruments; bank loans and facilities, both fund-based and non fund-based; and deposit obligations, such as inter-corporate deposits, fixed deposits and certificates of deposit. The experience and knowledge that we have gained over the years, along with our planning and execution strategies, enable us to retain our current client base and explore new opportunities that emerge in the industry.

Our main rating product is rating of debt instruments and bank loans and facilities, which provides us with higher volumes than other products. We have a significant rating coverage of Indian banks and financial institutions.

We have achieved steady growth in our ratings business. The total number of debt instruments we rated increased from 3,934 as of March 31, 2008 to 14,524 as of March 31, 2012, at a CAGR of 38.6% during such period. The total number of debt instruments we rated as of September 30, 2012 was 17,237. The volume of debt rated by us increased from Rs. 4,325.84 billion as of March 31, 2008 to Rs. 9,268.61 billion as of March 31, 2012, at a CAGR of 21.0% during such period. The volume of debt rated by us as of September 30, 2012 was Rs. 3,571.20 billion. We believe that we enjoy a strong market position with respect to undertaking ratings of most types of debt instruments and bank loans and facilities.

Domain experience across a range of sectors

We have rated debt instruments covering a diverse range of sectors, such as manufacturing, services, banks and infrastructure. We also have experience in providing debt and issuer ratings to many types of enterprises, including corporates, banks, financial institutions, public sector undertakings, state government undertakings, sub-sovereign entities, NBFCs, SMEs and micro-finance institutions.

We believe that we are able to cover a range of sectors because our ratings business is supported by a strong team of skilled analysts and support staff. Our analysts are predominantly post-graduate professionals, such as MBAs and other finance professionals with engineering or economics backgrounds, as well as chartered accountants, economists and chartered financial analysts.

Our research team provides in-house support to our ratings team in the form of in-depth industry knowledge over a range of sectors. Our research team comprises analysts having varied experience across sectors. We believe our ability to provide rating services across a diverse range of sectors is on account of our 19 years of rating experience, backed by the in-depth sectoral knowledge gained by our research team over the years. We further believe that our domain expertise is strengthened on account of our knowledge management systems.

Strong rating credibility and brand presence

We believe that our brand represents a high level of rating credibility, as our ratings display high ordinality. In order for ratings to be used as a reliable indicator of credit risk, we believe that it is critical for a rating agency to demonstrate, over a period of time, strong correlation between the actual performance of the rating it assigns and what the rating itself conveys. Since 2007, we have published default and transition studies evaluating the performance of our ratings, with our most recent default and transition study published in 2012 covering the nine year period from March 31, 2003 to March 31, 2012. We believe that the ratings assigned by us show that a higher category of rating demonstrates a relatively lower likelihood of default and a higher degree of stability.

We believe that the reliability of our ratings is underpinned by the established rating procedures that our analysts use and the quality control systems and procedures employed by a separate quality control department. Our quality control department ensures that robust quality checks are in place for all ratings and that we are in compliance with the applicable laws in India, including the CRA Regulations. We follow a standardized and comprehensive rating process, which is also subject to operational audits as prescribed by SEBI. In addition, we have an internal rating committee comprising senior executives from our Company and an external rating committee comprising a majority of independent members. Our rating committees are the final authorities for assigning ratings on behalf of our Company.

We believe that we have strong brand recognition and credibility in the ratings market, gained through years of experience in the ratings business. The credibility of our ratings is also reflected in the fact that we have received certifications and accreditations from various regulatory bodies and entities. For details, see "-Registrations, Recognitions and Accreditations" on page 112 of this Prospectus.

Strong origination capabilities and relationship management

We have a strong and widespread business development team across multiple cities in India. Our list of clients includes banks and other financial institutions, private sector companies, central public sector undertakings, sub-sovereign entities, SMEs and micro-finance institutions, among others. We had ratings relationships with 4,644 clients as of September 30, 2012. Our origination capabilities are further supported by our business development teams, which collate the ideas and views of various market participants, regulators and policy makers and pass them on to the product development team for further study and implementation. We believe that we have a stable and esteemed core client base representing most of the major Indian industrial groups, banks and conglomerates. Further, we believe that our strong brand and 19 years of experience in the ratings business enables us not only to obtain repeat business from our existing clients, but to source new business as well.

To support growth in our client base and investor awareness, we have undertaken several marketing initiatives, including the sponsorship of, or participation in, industry events through associations with CNBC TV18 (The CFO Awards 2011-2012); the Confederation of Indian Industry (Finance and Investment Summit 2012 and CFO Summit 2011); Kotak Institutional Equities (BFSI Opportunities 2012); the Central Bank of India (seminars on entrepreneurship and bank credit for SMEs held in various states in India during 2011; Business India (Best Bank 2011); the Siliconindia CFO Summit held in Mumbai and Delhi in 2011 and the Federation of Automobile Dealers Association (FADA Auto Monitor ADEA Awards 2011). We were the knowledge partner of the Global Steel Conference 2012, and also organized a conference in Maldives in 2011 titled "A Developmental Perspective and the Role of Capital Markets".

In addition, we participated in various seminars and events, such as the ASSOCHAM Annual Summit 2012 on Financial Markets; the 2012 Global Investor Conference (organized by Kotak Institutional Equities); the 2012 Gujarat SME Manufacturing Summit organized by SME Chamber of India; the 2012 round-table discussion on the "Importance of Rating for Countries and Companies in Africa" organized by Theodor-Huess Academie and the Freidrich-Naumann-Stiftun Foundation, Gummersbach, along with the African Forum, in Germany; the Economic Times Real Estate Investment Forum and Business Spaces in 2011; the Finance Continuum 2011 conference organized by Financial Express and the Shailesh J. Mehta School of Management (SJMSOM) IIT, Mumbai.

We also hold programs along with the Institute of Company Secretaries of India for SMEs, and we have organized and hosted the CARE Ratings Banking Summit in October 2012, a panel discussion on the Union Budget 2012 - 2013 in March 2012 in Delhi, the Seminar on "Credit Default Swaps: Concepts and Prospects" in 2011, and the CARE Debt Market Summit in December 2010 as part of our drive to stimulate debate on these subjects and raise awareness of our capabilities. Further, we have entered into a memorandum of understanding with Network18 Media and Investments Limited, pursuant to which we will provide ranking of the top 500 manufacturing companies of India for the 15th anniversary issue of SEARCH, an industrial sourcebook covering general engineering and manufacturing.

Experienced management

We have an experienced Board of Directors and key managerial personnel. O.V. Bundellu, our non-executive Chairman, was the Deputy Managing Director of IDBI Bank and has over 38 years of experience in commercial banking and development banking. D.R. Dogra, our Managing Director and Chief Executive Officer, has over 34 years of experience in the financial sector and in credit administration. In addition, Rajesh Mokashi, our Deputy Managing Director, has over 27 years of experience in finance, commerce and credit risk assessment. D.R. Dogra and Rajesh Mokashi have been associated with our Company since 1993, the year of incorporation.

Our key managerial personnel come from diverse backgrounds, including leading commercial banks and finance companies, and hold formal qualifications in varied disciplines, including finance, management, accountancy and economics. We have two chief general managers, each having over 23 years of experience in our Company, and our ten general managers on average have over 19 years of experience. Several of our general managers have been with our Company for over ten years.

Strong financial position and profitability

Since incorporation in April 1993, we have completed 19,058 rating assignments and have rated Rs. 44,036.03 billion of debt as of September 30, 2012. We had ratings relationships with 4,644 clients as of September 30, 2012. The volume of debt rated by us increased from Rs. 4,325.84 billion as of March 31, 2008 to Rs. 9,268.61 billion as of March 31, 2012, at a CAGR of 21.0% during such period. As the rating of any debt instrument or bank loan or facility which is accepted and used by the client must remain under surveillance until the entire debt is repaid, we continue to charge surveillance fees over the lifetime of the debt, which provides us with annuitized revenue.

Our total income and profit after tax have also continued to grow. Our unconsolidated total income has increased from Rs. 549.11 million for the financial year 2008 to Rs. 2,171.93 million for the financial year 2012, at a CAGR of 41.0% during such period. Our consolidated total income was Rs. 2,187.95 million and Rs. 1,039.74 million, respectively, for the financial year 2012 and the six months ended September 30, 2012. Our unconsolidated profit after tax has increased from Rs. 266.85 million for the financial year 2008 to Rs. 1,157.02 million for the financial year 2012, at a CAGR of 44.3% during such period, and our consolidated profit after tax was Rs. 1,157.69 million and Rs. 497.75 million, respectively, for the financial year 2012 and the six months ended September 30, 2012. For the financial years 2010, 2011 and 2012, our unconsolidated profit after tax margin was 56.4%, 51.1% and 53.3%, respectively; and for the financial year 2012 and the six months ended September 30, 2012, our consolidated profit after tax margin was 52.9% and 47.9%, respectively. Our unconsolidated earnings (including other income) before interest, taxes, depreciation and amortization ("**EBITDA**") margin on unconsolidated total revenue was 81.3%, 76.4% and 75.3%, respectively, for the financial years 2010, 2011 and 2012; and our EBITDA margin on consolidated total revenue was 74.9% and 69.0%, respectively, for the financial year 2012 and the six months ended September 30, 2012. Our unconsolidated return on equity was 40.1%, 29.9% and 30.7%, respectively, for the financial years 2010, 2011 and 2012; and our consolidated return on equity was 30.7% and 11.7% (not annualized), respectively, for the financial year 2012 and the six months ended September 30, 2012.

We have maintained a highly liquid, strong net worth position, with no debt on a consolidated basis as of September 30, 2012. Our unconsolidated total net worth has steadily increased from Rs. 832.64 million as of March 31, 2008 to Rs. 3,767.70 million as of March 31, 2012. We have paid dividends each year since our first full year of operations.

For the financial year 2012 and for the six months ended September 30, 2012, on an unconsolidated basis, our average revenue from operations per employee was Rs. 3.78 million and Rs. 1.73 million (not annualized), respectively, and our average operating profit per employee basis was Rs. 2.71 million and Rs. 1.14 million (not annualized), respectively.

Our Growth Strategy

We believe that adapting to market changes is a key factor in growing our business, and we continually monitor opportunities to grow our revenue base. In support of these goals, we intend to continue to focus in the following areas:

Increase market share in our core business

We intend to continue to focus on our core debt instrument and bank loan and facility ratings business, which we believe provides further growth opportunities through the acquisition of new clients and retention of existing clients. To increase our market share, we intend to continue to provide high quality service and improve our brand visibility and penetration through wider marketing initiatives. In order to focus and deepen each ratings segment, we have specific marketing teams spread across the country who engage with potential clients. For example, with respect to large and mid-size corporates, our marketing teams engage with the CFO community through various events and sponsorships, such as the Siliconindia CFO Summit held in Delhi and Mumbai in 2011, and with respect to MSEs, we work with local associations and industry bodies to create awareness. We are also working to strengthen our media relationships with an aim to be called upon to provide views and analysis on specific industries and related economic issues. We also intend to widen our distribution reach and network by expanding our office network.

Continue to grow our product portfolio

We continuously endeavor to respond to the demand from our clients and changes in regulations to offer new and innovative products in order to increase business from our existing clients, acquire new clients and capitalize on new opportunities in the market. We intend to continue to organize or participate in conferences and seminars regarding new product segments.

We continuously look to expand our income generating pool of products, such as the following:

- *SME rating*, a one-time assessment of the credit risk of the rated SME entity in comparison with other SMEs;
- *MSE rating*, in partnership with the NSIC, a one-time credit rating for small scale industries;
- *Edu-grade*, an assessment of the effectiveness of inputs and processes provided by an educational institution in achieving the objectives of the course;
- *Equi-grade*, equity research involving the assessment of the fundamental quality of the company and the valuation of its equity shares;
- *Real Estate – Project Star Rating*, an assessment of the ability of the developer to construct the real estate project with the agreed quality standards; and
- *Market linked debenture valuation*, valuation of debt and option portions of debentures issue by various financial entities.

As part of our efforts to grow our pool of products, we have entered into memoranda of understanding with several banks to offer set incentive rates for their MSME borrowers to obtain a credit rating from us, and we have entered into a memorandum of understanding with Arthveda Fund Management Private Limited to rate some of the real estate projects in tier II and tier III cities across India in which its real estate fund invests.

We intend to continuously identify and introduce new products in order to diversify and de-risk our business profile and provide potential for further growth.

Expand into new markets

We have expanded our footprint outside of India in our ratings business, as well as in the provision of technical services to other rating agencies. We are recognized by the Capital Markets Development Authority, Republic of Maldives to carry out ratings of debt instruments and bank loans and facilities in respect of Maldivian companies through our office in the Republic of Maldives. We have completed two rating assignments in Republic of Maldives and propose to rate Rufiyaa denominated debt of Maldivian companies and Maldivian subsidiaries of multinational companies. We have also been granted indirect recognition by the Hong Kong Monetary Authority as an external credit assessment institution for the purposes of the regulatory capital framework in Hong Kong.

We provided technical assistance to HR Ratings De Mexico S.A. DE C.V. in Mexico, and in order to explore opportunities in Latin America, we provide technical assistance to Summa Ratings S.A., Ecuador with respect to providing credit ratings, among other services. We are exploring opportunities to provide risk management solutions and training in risk management practices to banks and financial institutions in Nigeria pursuant to an exclusive memorandum of understanding with Riskmap Consulting Limited, a Nigerian risk management consulting company.

We are focused on expanding our ratings business in other countries, including Nepal and Mauritius, where we intend to provide ratings services through joint ventures in the future. In addition, we have entered into a non-binding memorandum of understanding with four credit rating agencies, each located in Brazil, Portugal, Malaysia and South Africa, to establish an international credit rating agency, which would operate as an independent and supra-sovereign rating agency and provide international scale ratings to assist local issuers in mobilizing resources from international financial markets. We believe these efforts will allow us to extend our rating and research services businesses to local and regional borrowers through ratings of domestic currency debt instruments and providing research services in such markets.

We believe that our experience and knowledge in India favorably positions us to continue to explore opportunities in other developing markets, either directly, through joint ventures and partnerships, or by acquisition. Further, we may explore opportunities to open offices in other cities in India.

Further develop our research business and expand into other business segments

Our primary business segment currently is rating services. Our research team primarily provides in-house research to our ratings team in the form of in-depth research on various sectors. We periodically publish industry research reports covering 39 sectors as of September 30, 2012, have published one-time industry research reports covering three sectors and also publish industry risk scores reports covering 109 sectors, as of September 30, 2012, which are available on a subscription basis. We prepare industry overviews for clients in relation to their capital markets offerings.

We intend to grow our research business by increasing the number of subscribers to our research offerings and continuing to expand our research coverage. We are actively targeting financial intermediaries, corporates, analysts and policy makers to market our research products and increase awareness of our research reports and capabilities. To that end, we periodically publish impact analysis notes on policy announcements and articles on new developments in industry sectors. In addition, we publish periodic reports on various facets of the economy, studies on specific subjects and economic surveys prepared by our economics department to clients, regulators, banks, mutual funds and government officials. In addition, to further support our research business, we launched the CARE Online Reports Distribution System in the financial year 2010 where research reports can be conveniently purchased and viewed by subscribers online.

We also intend to capitalize on our strong brand recognition to expand, organically and by acquisition, into new business segments, such as providing training, knowledge process outsourcing, risk management and other support services to rating agencies and other financial institutions. For instance, in November 2011, we acquired a 75.1% equity interest in Kalypto, a company providing risk management software solutions with a focus on enterprise risk management for banking, insurance and other financial institutions. We believe this acquisition will result in diversification of our revenue streams by enhancing our product offerings. In addition, subject to receipt of requisite regulatory approvals, we may provide advisory services in or outside India through a subsidiary or a joint venture. In addition, we have entered into agreements with certain educational institutions in India with the intent to establish joint educational programs on credit risk analysis and assessment.

Focus on operational efficiency

Our volume of rating assignments has increased as we expand our ratings coverage, which has driven the need for operational efficiency. Further, we are focusing on building up our ratings business in segments that have relatively low margins, but higher volumes, such as the MSME segment. Generally, such entities operate in clusters and are characterized by nascent systems and information databases. We have customized our methodology and our analytical systems to cater to these segments.

Increasing our operational efficiency entails increased use of technology. Our analysts use an integrated information interface, which helps to improve productivity by mapping, documenting and continuously updating our knowledge base to ensure efficient production and delivery of our products.

In addition, we conduct all of our back-office operations at one central location in Ahmedabad, which has lowered our operational costs. Accessibility of relevant and updated information to our rating team through our knowledge portal on our intranet has also helped us to increase our productivity. We also intend to continue to improve employee productivity through training and technology. On an ongoing basis, our analysts participate in seminars conducted by internal and external experts on various topics.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the (i) restated consolidated financial statements of our Company as of and for the year ended March 31, 2012 and the six months period ended September 30, 2012; and (ii) restated unconsolidated financial statements of our Company as of and for the years ended March 31, 2008, 2009, 2010, 2011 and 2012 and the six months ended period September 30, 2012.

These financial statements have been prepared in accordance with the Companies Act, Indian GAAP and accounting standards prescribed by ICAI and restated as per the SEBI Regulations and presented under the section "Financial Statements" on page 141 of this Prospectus. The summary financial information presented below should be read in conjunction with the restated financial statements, the notes thereto and the sections "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 141 and 204 of this Prospectus.

Restated Consolidated Assets and Liabilities

(Rs. in Million)

	Particulars	As at	
		30-Sep-12	**31-Mar-12**
	Non Current Assets		
	Fixed Assets		
	Tangible Assets	478.51	484.65
	Intangible Assets	2.99	5.97
	Goodwill on consolidation	72.27	72.27
	Total Fixed Assets	**553.77**	**562.89**
	Non Current Investments	1,051.02	954.93
	Long Term Loans and Advances	128.29	117.46
	Other Non Current Assets	5.64	9.17
A	**Total Non Current Assets**	**1,738.72**	**1,644.45**
	Current Assets		
	Current Investments	2,324.16	1,704.46
	Trade Receivables	528.29	159.70
	Cash and Bank Balances	281.49	702.50
	Short Term Loans and Advances	15.07	12.73
	Other Current Assets	56.67	72.24
B	**Total Current Assets**	**3,205.68**	**2,651.63**
	Non Current Liabilities		
	Deferred Tax Liability (Net)	43.54	35.03
	Long term provisions	36.62	22.75
C	**Total Non Current Liabilities**	**80.16**	**57.78**
D	**Minority interest**	**4.98**	**5.89**
	Current Liabilities		
	Trade Payables	0.51	0.91
	Other Current Liabilities	549.54	392.13
	Short Term Provisions	43.08	70.99
E	**Total Current Liabilities**	**593.13**	**464.03**
	Net worth (A+B-C-D-E)	**4,266.13**	**3,768.38**
	Net worth represented by:		
	Shareholders' Funds		
F	Share Capital	285.53	285.53
G	Share Application Money	-	-
H	Employees Stock Option Outstanding	-	-
I	**Reserves and Surplus**		
	General Reserves	1,037.14	1,037.14
	Securities Premium	20.11	20.11

	Particulars	As at	
		30-Sep-12	31-Mar-12
	Capital Redemption Reserves	2.25	2.25
	Profit and Loss Account	2,921.10	2,423.35
	Total Reserves & Surplus	**3,980.60**	**3,482.85**
	Net worth (F+G+H+I)	**4,266.13**	**3,768.38**

Restated Consolidated Profits and Losses

(Rs. in Million)

	Particulars	For the six months ended	For the year ended
		30-Sep-12	31-Mar-12
A	**Income**		
	Revenue From Operations	912.14	1,904.79
	Other Income	127.60	283.16
	Total Income	**1,039.74**	**2,187.95**
B	**Expenditure**		
	Employee Benefits Expense	243.17	416.40
	Other Expenses	78.66	133.31
	Depreciation	19.13	21.43
	Total Expenses	**340.96**	**571.14**
C	**Restated Profit before Tax (A - B)**	**698.78**	**1,616.81**
	Current Tax	193.43	452.21
	Deferred Tax Expense	8.51	6.69
D	**Total Tax Expense**	**201.94**	**458.90**
E	Minority interest	(0.91)	0.22
F	**Restated Profit after Tax (C - D - E)**	**497.75**	**1,157.69**

Restated Consolidated Cash Flows

(Rs. in Million)

	Particulars	**For the six months ended**	**For the year ended**
		30-Sep-12	**31-Mar-12**
A	**Cash flows from/ (used in) Operating Activities**		
	Restated Net Profit before Tax (Minority Interest adjusted)	699.69	1,616.59
	Adjustments for:		
	Income from Investment	(126.34)	(281.92)
	Provision for Leave Encashment	4.47	9.34
	Unrealized Foreign Exchange Loss		0.01
	Provision for Gratuity		1.34
	Provision for Bad Debts	2.60	-
	Loss/(Profit) on Sale of Fixed Assets	0.86	-
	Depreciation & Impairment	19.13	21.43
	Operating Profit before Working Capital changes (as Restated)	**600.41**	**1,366.79**
	Movement in Working Capital		
	Decrease/(Increase) in Trade Receivables	(371.20)	(31.78)
	Decrease/(Increase) in Loans and Advances / Other Current Assets	(30.16)	(8.84)
	Increase/(Decrease) in Unearned Revenue	71.69	119.41
	Increase/(Decrease) in Trade Payables / Other Liabilities	66.79	36.72
	Cash flow from Operations	**(262.88)**	**115.51**
	Direct Taxes Paid	(184.10)	(500.37)
	Net cash generated from Operating Activities, as Restated	**153.43**	**981.93**
B	**Cash flows from Financing Activities**		
	Change in Minority Interest	(0.91)	5.89
	Dividend and Dividend Tax Paid	-	(403.75)
	Net cash used in Financing Activities, as Restated	**(0.91)**	**(397.86)**
C	**Cash flows from/ (used in) Investing Activities**		
	Income from Investments	153.10	219.11
	Investment in Subsidiary	-	(89.40)
	Proceeds from Sale of Fixed Assets	0.50	-
	Purchase of Fixed Assets (including Capital Work in Progress)	(11.36)	(82.44)
	Purchase of Long term investments	(2,433.57)	(4,629.08)
	Proceeds from Sale of Investments	1,717.80	4,510.60
	Net cash used in Investing Activities, as Restated	**(573.53)**	**(71.21)**
	Total Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	**(421.01)**	**512.86**
	Add: Adjustment towards acquisition	-	8.90
	Cash and Cash Equivalents at the Beginning of the year, as Restated	**702.50**	**180.74**
	Cash and Cash Equivalents at the End of the year, as Restated	**281.49**	**702.50**

Notes:

1 Figures in bracket indicate cash outflow

Restated Unconsolidated Assets and Liabilities

(Rs. in Million)

	Particulars	As at					
		30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
	Non Current Assets						
	Fixed Assets						
	Tangible Assets	477.38	483.41	420.52	278.24	179.22	103.16
	Total Fixed Assets	**477.38**	**483.41**	**420.52**	**278.24**	**179.22**	**103.16**
	Non Current Investments	1,140.42	1,044.33	529.52	1,171.35	155.00	392.96
	Long Term Loans and Advances	125.19	114.80	72.35	76.35	49.01	33.10
	Other Non Current Assets	7.04	10.31	53.88	56.25	51.15	1.63
A	**Total Non Current Assets**	**1,750.03**	**1,652.85**	**1,076.27**	**1,582.19**	**434.38**	**530.85**
	Current Assets						
	Current Investments	2,324.16	1,704.46	2,056.95	688.92	1,016.52	391.02
	Trade Receivables	524.84	156.26	123.27	67.61	53.81	52.96
	Cash and Bank Balances	272.10	685.99	85.19	94.47	58.89	46.52
	Short Term Loans and Advances	14.53	11.97	4.37	8.36	2.85	2.73
	Other Current Assets	51.21	68.99	11.29	1.75	11.37	6.79
B	**Total Current Assets**	**3,186.84**	**2,627.67**	**2,281.07**	**861.11**	**1,143.44**	**500.02**
	Non Current Liabilities						
	Deferred Tax Liability (Net)	43.54	35.03	28.34	21.52	18.98	18.56
	Long term provisions	36.62	22.75	18.84	11.61	13.06	8.46
C	**Total Non Current Liabilities**	**80.16**	**57.78**	**47.18**	**33.13**	**32.04**	**27.02**
	Current Liabilities						
	Other Current Liabilities	545.43	384.05	234.56	176.39	147.49	124.12
	Short Term Provisions	43.08	70.99	133.07	98.83	63.73	47.09
D	**Total Current Liabilities**	**588.51**	**455.04**	**367.63**	**275.22**	**211.22**	**171.21**
	Net worth (A+B-C-D)	**4,268.20**	**3,767.70**	**2,942.53**	**2,134.95**	**1,334.56**	**832.64**
	Net worth represented by:						
	Shareholders' Funds						
E	Share Capital	285.53	285.53	95.18	95.18	77.75	77.75
F	Share Application Money	-	-	-	-	10.12	-
G	**Reserves and Surplus**						
	General Reserves	1,037.14	1,037.14	1,107.49	907.49	722.00	622.00
	Securities Premium	20.11	20.11	20.11	20.11	-	-
	Capital Redemption Reserves	2.25	2.25	2.25	2.25	2.25	2.25
	Emloyees' Stock Option Outstanding	-	-	-	-	13.77	9.18
	Profit and Loss Account	2,923.17	2,422.67	1,717.50	1,109.92	508.67	121.46
	Total Reserves and Surplus	**3,982.67**	**3,482.17**	**2,847.35**	**2,039.77**	**1,246.69**	**754.89**
	Net worth (E+F+G)	**4,268.20**	**3,767.70**	**2,942.53**	**2,134.95**	**1,334.56**	**832.64**

Restated Unconsolidated Profits and Losses

(Rs. in Million)

	Particulars	For the six month ended	For the year ended				
		30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
A	**Income**						
	Revenue From Operations	898.95	1,889.82	1,664.96	1,362.03	941.73	519.70
	Other Income	126.43	282.11	57.59	158.23	57.58	29.41
	Total Income	**1,025.38**	**2,171.93**	**1,722.55**	**1,520.26**	**999.31**	**549.11**
B	**Expenditure**						
	Employee Benefits Expense	235.59	410.68	307.91	215.70	152.64	106.63
	Other Expenses	71.33	126.52	99.02	67.93	59.04	38.36
	Depreciation	16.03	18.81	22.10	14.04	7.63	5.98
	Impairment of Fixed Assets	-	-	-	(0.01)	2.27	-
	Total Expenses	**322.95**	**556.01**	**429.03**	**297.66**	**221.58**	**150.97**
C	**Restated Profit before Tax (A-B)**	**702.43**	**1,615.92**	**1,293.52**	**1,222.60**	**777.73**	**398.14**
	Current Tax	193.43	452.21	407.21	363.16	251.60	131.16
	Fringe Benefit Tax	-	-	-	-	1.72	1.17
	Deferred Tax Expense	8.51	6.69	6.82	2.54	0.42	(1.04)
D	**Total Tax Expense**	**201.94**	**458.90**	**414.03**	**365.70**	**253.74**	**131.29**
E	**Restated Profit after Tax (C - D)**	**500.49**	**1,157.02**	**879.49**	**856.90**	**523.99**	**266.85**

Restated Unconsolidated Cash Flows

(Rs. in Million)

	Particulars	For the six month ended	For the year ended				
		30- Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
A	**Cash flows from/ (used in) Operating Activities**						
	Net Profit before Tax (as Restated)	702.43	1,615.92	1,293.52	1,222.60	777.73	398.14
	Adjustments for:						
	Income from Investment	(126.40)	(281.92)	(56.66)	(156.73)	(52.81)	(28.88)
	Provision for Leave Encashment	4.47	9.34	4.94	6.80	3.97	4.88
	Unrealized Foreign Exchange Loss	-	0.01	-	-	-	-
	Provision for ESOP Expense	-	-	-	-	4.59	6.89
	Provision for Gratuity	-	-	6.80	(2.43)	2.36	(1.04)
	Provision for Bad Debts	2.61	-	-	-	-	-
	Loss/(Profit) on Sale of Fixed Assets	0.86	-	0.72	1.34	1.67	0.14
	Depreciation & Impairment	16.03	18.81	22.10	14.03	9.90	5.98
	Operating Profit before Working Capital changes (as Restated)	**600.00**	**1,362.16**	**1,271.42**	**1,085.61**	**747.41**	**386.11**
	Movement in Working Capital						
	Decrease/(Increase) in Trade Receivables	(371.18)	(33.00)	(55.67)	(13.78)	(0.83)	(35.16)
	Decrease/(Increase) in Loans and Advances / Other Current Assets	(28.40)	(8.80)	(1.64)	4.50	(7.63)	(1.54)
	Increase/(Decrease) in Unearned Revenue	75.77	111.45	43.72	17.70	32.15	2.53
	Increase/(Decrease) in Trade Payables / Other Liabilities	67.09	42.45	25.96	26.22	2.55	92.33
	Cash flow from Operations	**(256.72)**	**112.10**	**12.37**	**34.64**	**26.24**	**58.16**
	Direct Taxes Paid	(183.68)	(494.79)	(429.29)	(372.43)	(268.83)	(136.39)
	Net cash generated from Operating Activities, as Restated	**159.60**	**979.47**	**854.50**	**747.82**	**504.82**	**307.88**
B	**Cash flows from Financing Activities**						
	Share application money received / (refunded)	-	-	-	(1.11)	10.12	-
	Increase in Share Capital	-	-	-	0.24	-	-
	Dividend and Dividend Tax Paid	-	(403.75)	(55.64)	(36.77)	(31.83)	(31.84)
	Net cash used in Financing Activities, as Restated	**-**	**(403.75)**	**(55.64)**	**(37.64)**	**(21.71)**	**(31.84)**
C	**Cash flows from/ (used in) Investing Activities**						
	Income from Investments	153.16	219.11	56.66	156.73	52.81	28.88
	Investment in Subsidiary	-	(89.40)	-	-	-	-
	Proceeds from Sale of Fixed Assets	0.50	-	0.50	0.66	3.18	0.29
	Purchase of Fixed Assets	(11.36)	(81.70)	(139.11)	(143.23)	(90.80)	(6.69)

	Particulars	For the six month ended	For the year ended				
		30- Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
	(including Capital Work in Progress)						
	Purchase of Long term investments	(2,433.59)	(4,533.53)	(2,078.95)	(3,274.05)	(1,463.62)	(880.26)
	Proceeds from Sale of Investments	1,717.80	4,510.60	1,352.76	2,585.29	1,027.69	619.06
	Net cash used in Investing Activities, as Restated	**(573.49)**	**25.08**	**(808.14)**	**(674.60)**	**(470.74)**	**(238.72)**
	Total Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	**(413.89)**	**600.80**	**(9.28)**	**35.58**	**12.37**	**37.32**
	Cash and Cash Equivalents at the Beginning of the year, as Restated	**685.99**	**85.19**	**94.47**	**58.89**	**46.52**	**9.20**
	Cash and Cash Equivalents at the End of the year, as Restated	**272.10**	**685.99**	**85.19**	**94.47**	**58.89**	**46.52**

NOTES:

1. Figures in bracket indicate cash outflow

THE OFFER

Offer of Equity Shares[1]	7,199,700 Equity Shares
of which	
Offer for sale by IDBI Bank	2,454,400 Equity Shares
Offer for sale by Canara Bank	2,171,200 Equity Shares
Offer for sale by SBI	914,500 Equity Shares
Offer for sale by IL&FS	855,500 Equity Shares
Offer for sale by Federal Bank	584,100 Equity Shares
Offer for sale by IL&FS Trust (Equity Shares held on behalf of Milestone Fund)	58,605 Equity Shares
Offer for sale by Milestone Trusteeship (Equity Shares held on behalf of Milestone Army Trust)	1,395 Equity Shares
Offer for sale by ING Vysya	60,000 Equity Shares
Offer for sale by Tata Investment	100,000 Equity Shares
of which	
A) QIB portion[2][3]	3,599,850 Equity Shares
Of which:	
Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion))[4]	125,995 Equity Shares
Balance for all QIBs including Mutual Funds[4]	2,393,900 Equity Shares
B) Non-Institutional Portion[3]	Not less than 1,079,955 Equity Shares
C) Retail Portion[3]	Not less than 2,519,895 Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer	28,552,812 Equity Shares
Equity Shares outstanding after the Offer	28,552,812 Equity Shares

Allocation to all categories, except the Retail Portion and the Anchor Investor Portion, if any, shall be made on a proportionate basis. For details, see “Offer Procedure – Basis of Allotment” on page 286 of this Prospectus.

(1) *The Equity Shares offered by the Selling Shareholders in the Offer have been held by them for a period of more than one year from the date of the Draft Red Herring Prospectus.*

(2) *Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For further details, see “Offer Procedure” on page 257 of this Prospectus.*

(3) *Under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange.*

(4) *Assuming Anchor Investor Portion is fully subscribed, out of the QIB Portion (excluding the Anchor Investor Portion), 5% will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to QIBs (other than Anchor Investors) and Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 125,995 Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids.*

GENERAL INFORMATION

Our Company was incorporated as Credit Analysis and Research Limited on April 21, 1993 at Mumbai, Maharashtra as a public limited company under the Companies Act. For further details, see the section "History and Certain Corporate Matters" on page 118 of this Prospectus. Our Company offers a wide range of rating and grading services across a diverse range of instruments and industries, and also provides general and customized industry research reports. For further details of the business of our Company, see the section "Our Business" on page 97 of this Prospectus.

Registered Office and Corporate Office of our Company

Credit Analysis and Research Limited
4th Floor, Godrej Coliseum
Somaiya Hospital Road
Off Eastern Express Highway
Sion (East), Mumbai 400 022
Tel: (91 22) 6754 3456
Fax: (91 22) 6754 3457
Corporate identity number: U67190MH1993PLC071691
Email: investor.relations@careratings.com
Website: http://www.careratings.com

Address of the RoC

Our Company is registered with the Registrar of Companies, Maharashtra, situated at Registrar of Companies, Everest, 5th Floor, 100, Marine Drive, Mumbai 400 002.

Board of Directors

The Board of our Company comprises the following:

Name	Designation	DIN	Address
O.V. Bundellu	Chairman (independent and non-executive Director)	00032950	Building No. 16, Flat No. 61 Ashiana, Off Link Road Next to Infinity Mall Oshiwara, Jogeshwari (West) Mumbai 400 102
D.R. Dogra	Managing Director and Chief Executive Officer (non independent and executive Director)	00226775	A-302, Glengate Hiranandani Gardens, Powai Mumbai 400 076
Rajesh Mokashi	Deputy Managing Director (non independent and executive Director)	02781355	801, Corner Stone Near Dindoshi Bus Depot Film City Road, Malad (East) Mumbai 400 097
Dr. Nitish Kumar Sengupta	Independent and non-executive Director	00094845	Home No. 135, Pocket 40 Chittaranjan Park New Delhi 110 019
Venkatraman Srinivasan	Independent and non-executive Director	00246012	73, Keshav Smruti 8B Cadell Road, Dadar Mumbai 400 028
Bharti Prasad	Independent and non-executive Director	03025537	Flat No-C-307, 3rd Floor Humsub Apartments CGHS Plot No.14, Sector 4 Dwarka, New Delhi 110 078

For further details of the Directors, see the section "Our Management" on page 122 of this Prospectus.

Company Secretary and Compliance Officer

Navin K. Jain is the company secretary and the compliance officer of our Company. His contact details are as follows:

Navin K. Jain
4th Floor, Godrej Coliseum
Somaiya Hospital Road
Off Eastern Express Highway
Sion (East), Mumbai 400 022
Tel: (91 22) 6754 3456
Fax: (91 22) 6754 3457
Email: investor.relations@careratings.com

Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre or post-Offer related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account and refund orders.

All grievances relating to the Offer may be addressed to the Registrar to the Offer, giving full details such as name, application number, 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 to the Offer with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities), as the case may be, where the Bid cum Application Form was submitted by the ASBA Bidder, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and Designated Branch or the collection centre of the SCSBs or the member of the Syndicate (in Specified Cities), as the case may be, where the Bid cum Application Form was submitted by the ASBA Bidder.

Book Running Lead Managers

Kotak Mahindra Capital Company Limited
1st Floor, Bakhtawar
229 Nariman Point
Mumbai 400 021
Tel: (91 22) 6634 1100
Fax: (91 22) 2283 7517
Email: care.ipo@kotak.com
Investor Grievance Email: kmccredressal@kotak.com
Website: www.investmentbank.kotak.com
Contact Person: Ganesh Rane
SEBI Registration Number: INM000008704

DSP Merrill Lynch Limited
8th Floor, Mafatlal Centre
Nariman Point
Mumbai 400 021
Tel: (91 22) 6632 8000
Fax: (91 22) 2204 8518
Email: dg.careipo@baml.com
Investor Grievance Email:
dg.india_merchantbanking@baml.com
Website: www.dspml.com
Contact Person: Vikram Khaitan
SEBI Registration No.: INM000011625

Edelweiss Financial Services Limited
14th Floor, Edelweiss House
Off. CST Road, Kalina
Mumbai 400 098
Tel: (91 22) 4086 3535
Fax: (91 22) 4086 3610
Email: care.ipo@edelweissfin.com
Investor Grievance Email:
customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Chitrang Gandhi/Dipti Samant
SEBI Registration No: INM0000010650

ICICI Securities Limited
ICICI Centre
H.T. Parekh Marg
Churchgate, Mumbai 400 020
Tel: (91 22) 2288 2460
Fax: (91 22) 2282 6580
Email: care.ipo@icicisecurities.com
Investor Grievance Email:
customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Payal Kulkarni/Bhavin Vakil
SEBI Registration No: INM000011179

IDBI Capital Market Services Limited[(1)]
3rd Floor, Mafatlal Centre
Nariman Point
Mumbai 400 021
Tel: (91 22) 4322 1212
Fax: (91 22) 2285 0785
Email: care.ipo@idbicapital.com
Investor Grievance Email: redressal@idbicapital.com
Website: www.idbicapital.com
Contact Person: Swapnil Thakur/Subodh Mallya
SEBI Registration No.: INM000010866

SBI Capital Markets Limited[(1)]
202, Maker Tower 'E'
Cuffe Parade
Mumbai 400 005
Tel: (91 22) 2217 8300
Fax: (91 22) 2218 8332
Email: care.ipo@sbicaps.com
Investor Grievance Email:
investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact Person: Murtuza Patrawala/Shikha Agarwal
SEBI Registration Number: INM000003531

(1) SBI Capital Markets is an associate of SBI, which is a Selling Shareholder, and IDBI Capital is an associate of IDBI Bank, which is also a Selling Shareholder. SBI Capital Markets and IDBI Capital have signed the due diligence certificate dated September 30, 2011 and accordingly have been disclosed as Book Running Lead Managers. In compliance with proviso to Regulation 21A of the SEBI Merchant Bankers Regulations and in accordance with proviso to Regulation 5(3) of the SEBI Regulations, SBI Capital Markets and IDBI Capital are the marketing lead managers and would be involved only in the marketing of the Offer.

Syndicate Members

Kotak Securities Limited
Nirlon House, 3rd Floor
Dr. Annie Besant Road
Near Passport Office, Worli
Mumbai 400 025
Tel: (91 22) 6740 9431
Fax: (91 22) 6740 9708
Email: sanjeeb.das@kotak.com
Website: www.kotak.com
Contact Person: Sanjeeb Kumar Das
SEBI Registration Nos.: BSE INB010808153
NSE INB230808130

Edelweiss Securities Limited
14th Floor, Edelweiss House
Off C.S.T. Road, Kalina
Mumbai 400 098
Tel: (91 22) 6747 1342
Fax: (91 22) 6747 1347
Email: care.ipo@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Prakash Boricha
SEBI Registration Nos.: BSE: INB011193332
NSE: INB231193310

SBICAP Securities Limited
191, Maker Tower F, Cuffe Parade
Mumbai 400 005
Tel: (91 22) 4227 3300
Fax: (91 22) 4227 3390
Email: Archana.dedhia@sbicapsec.com
Website: www.sbicapsec.com
Contact Person: Archana Dedhia
SEBI Registration Nos.: BSE INB011053031
NSE INB231052938

Domestic Legal Counsel to our Company

Amarchand & Mangaldas & Suresh A. Shroff & Co.
Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013
Tel: (91 22) 2496 4455
Fax: (91 22) 2496 3666

Domestic Legal Counsel to the Underwriters

Luthra & Luthra Law Offices
Indiabulls Finance Centre
Tower 2, Unit A2, 20th Floor
Elphinstone Road
Senapati Bapat Marg
Lower Parel, Mumbai 400 013
Tel: (91 22) 6630 3600
Fax: (91 22) 6630 3700

International Legal Counsel to the Underwriters

Jones Day
3 Church Street
#14-02 Samsung Hub
Singapore 049483
Tel: (65) 6538 3939
Fax: (65) 6536 3939

Statutory Auditor to our Company

M/s Khimji Kunverji & Co., Chartered Accountants
Sunshine Tower, Level 19
Senapati Bapat Marg, Elphinstone Road
Mumbai 400 013
Tel: (91 22) 2421 4330 / 31 / 32
Fax: (91 22) 2421 4333
Email: Info@kkc.in
Website: www.kkc.in
Contact person: Gautam Shah

IPO Grading Agency

Our Company has been exempted by SEBI (pursuant to Regulation 109(b) of the SEBI Regulations) from obtaining an IPO grading for the Offer.

Experts

Except for the reports dated October 21, 2012 of the Auditor and the statement of tax benefits dated October 21, 2012 provided by the Auditor, included on pages 141, 169 and 75, respectively, of this Prospectus, our Company has not obtained any expert opinion.

Registrar to the Offer

Karvy Computershare Private Limited
Plot nos.17-24, Vittal Rao Nagar
Madhapur, Hyderabad 500 081
Toll Free No.: 1-800-3454001
Tel: (91 40) 4465 5000
Fax: (91 40) 2343 1551
Email: care.ipo@karvy.com
Investor Grievance Email: care.ipo@karvy.com
Website: http:\\karisma.karvy.com
Contact Person: M Murali Krishna
SEBI Registration No.: INR000000221

Bankers to the Offer and Escrow Collection Banks

IDBI Bank Limited
Unit No. 2, Corporate Park
Near Swastik Chambers
Sion –Trombay Road, Chembur
Mumbai 400 071
Tel: (91 22) 6690 8402
Fax: (91 22) 6690 8424
Email: v.jayanthan@idbi.co.in
Website: www.idbibank.com
Contact Person: V Jayanathan, General Manager

State Bank of India(2)
Capital Market Branch
Videocon Heritage (Killick House)
Ground Floor, Charanjit Rai Marg
Mumbai 400 001
Tel: (91 22) 2209 4932 /2209 4927
Fax: (91 22) 2209 4921 /2209 4922
Email: nib.11777@sbi.co.in / sbi11777@yahoo.co.in
Website: www.statebankofindia.com
Contact Person: Anil Sawant

ING Vysya Bank Limited(3)
ING Vysya House, No. 22
MG Road, Bangalore 560 001
Tel: (91 080) 2253 2135 / (91 22) 3309 5420
Fax: (91 080) 2253 2111 / (91 22) 2652 2812
Email: akshay.hegde@ingvysyabank.com / vithal.gaware@ingvysyabank.com
Website: Akshay Hegde / Vithal Gaware
Contact Person: www.ingvysyabank.com

Axis Bank Limited(4)
Fortune 2000, Ground Floor
Bandra Kurla Complex
Bandra (E), Mumbai 400 051
Tel: (91 22) 6148 3122
Fax: (91 22) 6148 3119
Email: percy.badhniwalla@axisbank.com
Website: www.axisbank.com
Contact Person: Percy Badhniwalla

ICICI Bank Limited(5)
Capital Markets Division
30, Mumbai Samachar Marg
Mumbai 400 001
Tel: (91 22) 6631 0322 / 12
Fax: (91 22) 6631 0350 / 2261 1138
Email: anil.gadoo@icicibank.com
Website: www.icicibank.com
Contact Person: Anil Gadoo

Canara Bank(1)
Capital Markets Services Branch
407, Himalaya House
79 Mata Ramabai Ambedkar Marg
Mumbai 400 001
Tel: (91 22) 2266 1618
Fax: (91 22) 2266 4140
Email: cb2422@canarabank.com
Website: www.canarabank.com
Contact Person: Arvind N. Pawar

The Federal Bank Limited
Large Corporate Department, C9
2nd Floor, Laxmi Towers, Bandra Kurla Complex
Bandra (E), Mumbai 400 051
Tel: (91 22) 2656 7532
Fax: (91 22) 2656 6622 / 2656 6660
Email: sunnynv@federalbank.co.in
Website: www.federalbank.co.in
Contact Person: Sunny N.V.

Kotak Mahindra Bank Limited
Transaction Banking Group
5th Floor, Dani Corporate Park
158, C.S.T. Road, Kalina
Santacruz (E), Mumbai 400 098
Tel: (91 22) 6759 5336
Fax: (91 22) 6759 5374
Email: amit.kumar@kotak.com
Website: www.kotak.com
Contact Person: Amit Kumar

HDFC Bank Limited
HDFC Bank Limited, FIG–OPS Department
Lodha 1 Think Techno Campus
O–3, Level, Next to Kanjurmarg Railway Station
Kanjurmarg (East), Mumbai 400 042
Tel: (91 22) 3075 2928
Fax: (91 22) 2579 9801
Email: uday.dixit@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Uday Dixit

[(1)] *The SEBI registration certificate of Canara Bank had expired on November 15, 2012. As required under the Securities and Exchange Bank of India (Bankers to an Issue) Regulations, 1994, as amended, an application dated August 4, 2012 for permanent registration was made by Canara Bank to SEBI. The approval of SEBI is awaited.*

[(2)] *The SEBI registration certificate of SBI expires on November 30, 2012. As required under the Securities and Exchange Bank of India (Bankers to an Issue) Regulations, 1994, as amended, an application dated October 13, 2012 for permanent registration was made by SBI to SEBI. The approval of SEBI is awaited.*

[(3)] *The SEBI registration certificate of ING Vysya expires on November 30, 2012. As required under the Securities and Exchange Bank of India (Bankers to an Issue) Regulations, 1994, as amended, an application dated July 2, 2012 for permanent registration was made by ING Vysya to SEBI. The approval of SEBI is awaited.*

[(4)] *The SEBI registration certificate of Axis Bank Limited had expired on November 15, 2012. As required under the Securities and Exchange Bank of India (Bankers to an Issue) Regulations, 1994, as amended, an application dated August 9, 2012 for permanent registration was made by Axis Bank Limited to SEBI. The approval of SEBI is awaited.*

[(5)] *The SEBI registration certificate of ICICI Bank Limited had expired on October 31, 2012. As required under the Securities and Exchange Bank of India (Bankers to an Issue) Regulations, 1994, as amended, an application dated July 13, 2012 for permanent registration was made by ICICI Bank Limited to SEBI. The approval of SEBI is awaited.*

Refund Banks

HDFC Bank Limited
HDFC Bank Limited, FIG–OPS Department
Lodha 1 Think Techno Campus
O–3, Level, Next to Kanjurmarg Railway Station
Kanjurmarg (East), Mumbai 400 042
Tel: (91 22) 3075 2928
Fax: (91 22) 2579 9801
Email: uday.dixit@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Uday Dixit

IDBI Bank Limited
Unit No. 2, Corporate Park
Near Swastik Chambers
Sion –Trombay Road, Chembur
Mumbai 400 071
Tel: (91 22) 6690 8402
Fax: (91 22) 6690 8424
Email: v.jayanthan@idbi.co.in
Website: www.idbibank.com
Contact Person: V Jayanathan, General Manager

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries. For details of the Designated Branches of the SCSBs which shall collect Bid cum Application Forms, please refer to the above-mentioned link.

Bankers to our Company

HDFC Bank Limited
Rupam Centre, Cine Planet
Sion Circle, Sion East
Mumbai 400 022
Tel: (91) 93241 43221
Fax: (91 22) 2402 3000
Email: preferredbanking@hdfcbank.com
Website: www.hdfcbank.com/preferredbanking
Contact Person: Branch Manager

IDBI Bank Limited
Unit No. 2, Corporate Park
Near Swastik Chambers
Sion-Trombay Road, Chembur
Mumbai 400 071
Tel: (91 22) 6690 8402
Fax: (91 22) 6690 8424
Email: ipoteam@idbi.co.in / v.jayananthan@idbi.co.in
Website: www.idbibank.com
Contact Person: V. Jayananthan – General Manager

State Bank of India
Madhusudan Mills Compound
Pandurang Budhkar Marg
Lower Parel, Mumbai 400 013
Tel: (91 22) 2492 7480
Fax: (91 22) 2493 4338
Email: sbi.03428@sbi.co.in
Website: www.sbi.co.in
Contact Person: Branch Manager

Monitoring Agency

As the Offer consists of only an offer for sale by the Selling Shareholders, the appointment of a monitoring agency for the Offer is not required.

Inter-se Allocation of Responsibilities of the BRLMs

The following table sets forth the *inter se* allocation of responsibilities for various activities among the BRLMs for the Offer:

	Activity	Responsibility	Co-ordination
1.	Capital structuring with the relative components and formalities.	Kotak, DSP Merrill Lynch, Edelweiss and ICICI Securities	Kotak
2.	Due diligence of the Company including its operations/ management/ business plans/ legal etc. Drafting and design of the offer documents. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI including finalization of Prospectus and RoC filing.	Kotak, DSP Merrill Lynch, Edelweiss, ICICI Securities, IDBI Capital(1) and SBI Capital Markets(1)	Kotak
3.	Drafting and approval of all publicity material and statutory advertisements including corporate advertisement brochure, corporate films, etc.	Kotak, DSP Merrill Lynch, Edelweiss and ICICI Securities	Edelweiss
4.	Appointment of intermediaries: Bankers to the Offer, Registrar to the Offer and other intermediaries including printers and advertising agency	Kotak, DSP Merrill Lynch, Edelweiss and ICICI Securities	ICICI Securities
5.	International institutional marketing strategy, which will cover, *inter alia:* • Finalizing the list and division of investors for one to one meetings • Finalizing the international road show schedule and investor meeting schedules • Preparing road show presentation and frequently asked questions	Kotak, DSP Merrill Lynch, Edelweiss, ICICI Securities, IDBI Capital(1) and SBI Capital Markets(1)	DSP Merrill Lynch
6.	Domestic institutional marketing strategy, which will cover, inter alia: • Finalizing the list and division of investors for one to one meetings	Kotak, DSP Merrill Lynch, Edelweiss, ICICI Securities, IDBI	Kotak

	Activity	Responsibility	Co-ordination
	• Finalizing the domestic road show schedule and investor meeting schedules	Capital[(1)] and SBI Capital Markets[(1)]	
7.	Domestic retail and non-institutional marketing of the Offer, which will cover, inter alia: • Formulating marketing strategies, preparation of publicity budget • Finalizing media and PR strategy • Finalizing centres for holding conferences for brokers etc. • Finalizing collection centres and follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the quantum of the Offer material	Kotak, DSP Merrill Lynch, Edelweiss, ICICI Securities, IDBI Capital[(1)] and SBI Capital Markets[(1)]	ICICI Securities
8.	Co-ordination with the Stock Exchanges for book building software, bidding terminals and mock trading	Kotak, DSP Merrill Lynch, Edelweiss and ICICI Securities	ICICI Securities
9.	Pricing, managing the book and allocation to QIB bidders	Kotak, DSP Merrill Lynch, Edelweiss and ICICI Securities	DSP Merrill Lynch
10.	The post-bidding activities including management of escrow accounts, follow-up with bankers to the Offer, co-coordination for non-institutional allocation, intimation of allocation and dispatch of refunds to Bidders etc. The post-Offer activities will involve essential follow up steps, which include the finalization of listing and trading of instruments, dispatch of certificates and demat delivery of shares, with the various agencies connected with the work such as the Registrar to the Offer and Bankers to the Offer and the bank handling refund business and SCSBs. 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 the Company.	Kotak, DSP Merrill Lynch, Edelweiss and ICICI Securities	Edelweiss

[(1)] SBI Capital Markets and IDBI Capital have signed the due diligence certificate dated September 30, 2011. SBI Capital Markets is an associate of SBI, which is a Selling Shareholder, and IDBI Capital is an associate of IDBI Bank, which is also a Selling Shareholder. SBI Capital Markets and IDBI Capital have signed the due diligence certificate dated September 30, 2011 and accordingly have been disclosed as Book Running Lead Managers. In compliance with proviso to Regulation 21A of the SEBI Merchant Bankers Regulations and in accordance with proviso to Regulation 5(3) of the SEBI Regulations, SBI Capital Markets and IDBI Capital are the marketing lead managers and would be involved only in the marketing of the Offer.

If any of these activities are handled by other intermediaries, the designated BRLMs shall be responsible for ensuring that these agencies fulfil their functions and enable them to discharge these responsibilities through suitable agreements with our Company.

Credit Rating

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

Trustees

As this is an Offer of Equity Shares, the appointment of trustees is not required.

Book Building Process

The book building, in the context of the Offer, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band, which will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and will be advertised in all editions of English national daily Financial Express, all editions of Hindi national daily Jansatta and Mumbai edition of Navshakti (a Marathi newspaper), each with wide circulation, and made available on the websites of the Stock Exchanges, at least five Working Days prior to the Bid/Offer Opening Date. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges. The Offer Price is finalized after the Bid/Offer Closing Date. The principal parties involved in the Book Building Process are:

- our Company;
- the Selling Shareholders;
- the BRLMs;
- the Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the BSE/ the NSE and eligible to act as Underwriters. The Syndicate Members are appointed by the BRLMs;
- the SCSBs;
- the Registrar to the Offer; and
- the Escrow Collection Banks.

This is an Offer for more than 25% of the post-Offer capital in accordance with Rule 19(2)(b)(i) of the SCRR. This Offer is being made through the 100% Book Building Process wherein 50% of the Offer shall be allocated on a proportionate basis to QIB Bidders. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price. Under-subscription if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange.
QIB Bidders and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bid(s) during the Bid/Offer Period and withdraw their Bid(s) until finalization of Basis of Allotment. For further details, see the section "Terms of the Offer" on page 249 of this Prospectus.

Our Company will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for this Offer. In this regard, our Company has appointed the BRLMs to manage the Offer and procure subscriptions to the Offer. SBI Capital Markets is an associate of SBI, which is a Selling Shareholder, and IDBI Capital is an associate of IDBI Bank, which is also a Selling Shareholder. SBI Capital Markets and IDBI Capital have signed the due diligence certificate dated September 30, 2011 and accordingly have been disclosed as Book Running Lead Managers. In compliance with proviso to Regulation 21A of the SEBI Merchant Bankers Regulations and in accordance with proviso to Regulation 5(3) of the SEBI Regulations, SBI Capital Markets and IDBI Capital are the marketing lead managers and would be involved only in the marketing of the Offer.

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.

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 Offer; it also excludes bidding by Anchor Investors or bidding under the ASBA process.)*

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below.

A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book below shows the demand for the shares of the issuer company at various prices and is collated from bids received from various investors.

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

The price discovery is a function of demand at various prices. The highest price at which the selling shareholders are able to transfer the desired number of shares is the price at which the book cuts off, *i.e.*, Rs. 22 in the above example. The issuer company and the selling shareholders, in consultation with the book running lead managers, will finalise the offer price at or below such cut-off price, *i.e.*, at or below Rs. 22. All bids at or above this offer price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding:

1. Check eligibility for making a Bid (see the section "Offer Procedure – Who Can Bid?" on page 258 of this Prospectus);

2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;

3. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market; and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, for Bids of all values, ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. In accordance with the circulars issued by SEBI, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (see the section "Offer Procedure –Permanent Account Number or PAN" on page 281 of this Prospectus).

4. Ensure that the Bid cum Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid cum Application Form;

5. Bids by QIBs (except Anchor Investors) and Non-Institutional Bidders shall be submitted only through the ASBA process;

6. Bids by ASBA Bidders will have to be submitted to the Designated Branches, except for ASBA Bids in the Specified Cities. In case of the Specified Cities, the ASBA Bids may either be submitted with the Designated Branches or with the Syndicate. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission of the Bid cum Application Forms to the SCSBs or the Syndicate, as the case may be, to ensure that the Bid cum Application Form is not rejected.

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

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders entered into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs 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 December 13, 2012. 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:

Name and Address of the Underwriters along with the telephone number, fax number and email address of the Underwriter	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. in million)
Kotak Mahindra Capital Company Limited 1st Floor, Bakhtawar, 229 Nariman Point, Mumbai 400 021 ; Tel: (91 22) 6634 1100; Fax: (91 22) 2283 7517; Email: care.ipo@kotak.com	1,199,850	899.89
DSP Merrill Lynch Limited 8th Floor, Mafatlal Centre, Nariman Point, Mumbai 400 021; Tel: (91 22) 6632 8000; Fax: (91 22) 2204 8518; Email: dg.careipo@baml.com	1,199,950	899.96
Edelweiss Financial Services Limited 14th Floor, Edelweiss House; Off. CST Road, Kalina, Mumbai 400 098; Tel: (91 22) 4086 3535; Fax: (91 22) 4086 3610; Email: care.ipo@edelweissfin.com	1,199,850	899.89
ICICI Securities Limited ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020; Tel: (91 22) 2288 2460; Fax: (91 22) 2282 6580; Email: care.ipo@icicisecurities.com	1,199,950	899.96
IDBI Capital Market Services Limited 3rd Floor, Mafatlal Centre, Nariman Point, Mumbai 400 021; Tel: (91 22) 4322 1212; Fax: (91 22) 2285 0785; Email: care.ipo@idbicapital.com	1,199,950	899.96
SBI Capital Markets Limited 202, Maker Tower 'E', Cuffe Parade, Mumbai 400 005; Tel: (91 22) 2217 8300; Fax: (91 22) 2218 8332; Email: care.ipo@sbicaps.com	1,199,850	899.89
Kotak Securities Limited Nirlon House, 3rd Floor, Dr. Annie Besant Road , Near Passport Office, Worli , Mumbai 400 025; Tel: (91 22) 6740 9431; Fax: (91 22) 6740 9708; Email: sanjeeb.das@kotak.com	100	0.08
Edelweiss Securities Limited 14th Floor, Edelweiss House, Off C.S.T. Road, Kalina, Mumbai 400 098; Tel: (91 22) 6747 1342; Fax: (91 22) 6747 1347; Email: care.ipo@edelweissfin.com	100	0.08
SBICAP Securities Limited 191, Maker Tower F, Cuffe Parade; Mumbai 400 005; Tel: (91 22) 4227 3300; Fax: (91 22) 4227 3390; Email: Archana.dedhia@sbicapsec.com	100	0.08

The above-mentioned is indicative underwriting and this will be finalized after determination of the actual allocation.

In the opinion of the Board of Directors (based on certificates provided by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The Board of Directors, at its meeting held on December 13, 2012, has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company. Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment.

Notwithstanding the above table, the BRLMs 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 the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

The Equity Share capital of our Company as at the date of this Prospectus is set forth below:

(In Rs., except share data)

		Aggregate value at face value of Rs. 10	Aggregate value at Offer Price
A	**AUTHORIZED SHARE CAPITAL**		
	30,000,000 Equity Shares	300,000,000.00	
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER**		
	28,552,812 Equity Shares	285,528,120.00	
C	**PRESENT OFFER FOR SALE BY THE SELLING SHAREHOLERS**		
	7,199,700 Equity Shares	71,997,000.00	5,399,775,000.00
D	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	20,106,747.00	
	After the Offer	20,106,747.00	
E	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER**		
	28,552,812 Equity Shares	285,528,120.00	

IDBI Bank, Canara Bank, SBI, IL&FS, Federal Bank, IL&FS Trust (Equity Shares held on behalf of Milestone Fund), Milestone Trusteeship (Equity Shares held on behalf of Milestone Army Trust), ING Vysya and Tata Investment have consented to offering Equity Shares under the Offer pursuant to resolutions (of the board of directors or a duly constituted committee) dated June 17, 2011, June 28, 2011, September 20, 2011, September 28, 2011, September 3, 2011, August 18, 2011, August 17, 2011, September 21, 2011 and September 5, 2011, respectively. The Equity Shares to be offered in the Offer for Sale have been held by the Selling Shareholders for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus with SEBI and hence are eligible for being offered for sale in the Offer.

The present Offer has been authorized by the Board of Directors pursuant to the resolution dated August 17, 2011.

Changes in the Authorized Capital

The initial authorized share capital of Rs. 100,000,000 divided into 10,000,000 Equity Shares was increased to Rs. 300,000,000 divided into 30,000,000 Equity Shares pursuant to a resolution of the shareholders of our Company dated September 13, 2011.

Notes to the Capital Structure

1. **Share Capital History of our Company**

(a) The history of the Equity Share capital and securities premium account of our Company is detailed in the following table:

Date of allotment	No. of Equity Shares allotted	Face value (Rs.)	Issue price / buy-back value (Rs.)	Consideration (cash/ bonus issue)	Cumulative No. of Equity Shares	Cumulative paid-up Equity capital (Rs.)	Cumulative securities premium (Rs.)
May 12, 1993[(1)]	7	10.00	10.00	Cash	7	70.00	Nil
December 20,	7,999,993	10.00	10.00	Cash	8,000,000	80,000,000.00	Nil

Date of allotment	No. of Equity Shares allotted	Face value (Rs.)	Issue price / buy-back value (Rs.)	Consideration (cash/ bonus issue)	Cumulative No. of Equity Shares	Cumulative paid-up Equity capital (Rs.)	Cumulative securities premium (Rs.)
1993[2]							
January 25, 2006[3]	(225,000)	10.00	52.05	Cash	7,775,000	77,750,000.00	Nil
June 15, 2009[4]	284,247	10.00	31.82	Cash	8,059,247	80,592,470.00	6,202,270.00
February 9, 2010[5]	7,696	10.00	26.96[6]	Cash	8,066,943	80,669,430.00	6,332,794.00
March 12, 2010[7]	1,450,661	10.00	-	Bonus issue in the ratio 18:100	9,517,604	95,176,040.00	6,332,794.00
September 20, 2011 [8]	19,035,208	10.00	-	Bonus issue in the ratio 2:1	28,552,812	285,528,120.00	6,332,794.00

(1) *Equity Shares allotted by our Company to IDBI Bank and its nominees, Ramchandra Patil, Pathakattyl Thomas, Gagan Rai, Yajaman Shivamurthy, Jitender Balakrishnan and Deva Dutta Dubey pursuant to subscription to the Memorandum of Association.*

(2) *Equity Shares allotted by our Company to IDBI Bank, Canara Bank, Unit Trust of India, Vysya Bank Limited, Federal Bank, Sundaram Finance Limited, Credit Capital Venture Fund India Limited, First Leasing Company of India Limited, ITC Classic Finance Limited, Kotak Mahindra Finance Limited, IFB Leasing and Finance Limited, Kalimati Investment Company Limited, Varuna Investments Limited, The Investment Corporation of India Limited and 20th Century Finance Corporation Limited pursuant to a preferential allotment.*

(3) *Buy back of Equity Shares by our Company at a price of Rs. 52.05 per Equity Share from Russell Investments Limited, TCFC Finance Limited, TVS Finance & Services Limited and Sundaram Finance Distribution Limited, authorized by the shareholders of our Company pursuant to a resolution dated September 22, 2005.*

(4) *Equity Shares allotted by our Company to K. Sivaprakasam, D.R. Dogra, Rajesh Mokashi, P.N. Sathees Kumar, Navin K. Jain, T.N. Arun Kumar, Milind Gadkari, Mehul Pandya, Priti Agarwal, Swati Agrawal Jain and Mahesh Wadhwa pursuant to the exercise of options granted under the Scheme.*

(5) *Equity Shares allotted by our Company to Milind Gadkari pursuant to the exercise of options granted under the Scheme.*

(6) *Adjusted for Rs. 37,340 refunded to Milind Gadkari as an adjustment to the bonus issue undertaken by our Company.*

(7) *Bonus issue in the ratio 18:100 authorized by shareholders of our Company pursuant to a resolution dated September 29, 2009. Bonus issue was undertaken through capitalization of the general reserves of our Company and Equity Shares were allotted to IDBI Bank, Canara Bank, SBI, ING Vysya, Federal Bank, IL&FS Trust (on behalf of Milestone Fund), IL&FS, Sundaram Finance Distribution Limited, First Leasing Company of India Limited, Tata Investment, Kalimati Investment Corporation Limited, Russell Investments Limited, Kotak Mahindra Bank Limited, Harita Techserv Limited, TCFC Finance Limited, K. Sivaprakasam, D.R. Dogra, Rajesh Mokashi, P.N. Sathees Kumar, Navin K. Jain, T.N. Arun Kumar, Milind Gadkari, Mehul Pandya, Priti Agarwal, Swati Agrawal Jain and Mahesh Wadhwa.*

(8) *Bonus issue in the ratio 2:1 authorized by shareholders of our Company pursuant to a resolution dated September 13, 2011. Bonus issue was undertaken through capitalization of the general reserves of our Company and Equity Shares were allotted to IDBI Bank, Canara Bank, SBI, IL&FS, Federal Bank, Bajaj Holdings and Investments Limited, Aditya Birla Private Equity Trust A/c – Aditya Birla Private Equity – Fund I, IL&FS Trust (on behalf of Milestone Fund), ING Vysya, Russell Investments Limited, Tata Investment, Poonawalla Investment & Industries Private Limited, Money Matters Financial Services Limited, Kalimati Investment Company Limited, Serum Institute of India Limited, Adar Cyrus Poonawalla, Adar Poonawalla Finvest Private Limited, Kumkum Kanwaljit Singh, Milestone Trusteeship (for Equity Shares held on behalf of Milestone Army Trust), K. Sivaprakasam, D.R. Dogra, Rajesh Mokashi, P.N. Sathees Kumar, Navin K. Jain, T.N. Arun Kumar, Milind Gadkari, Mehul Pandya, Priti Agarwal, Swati Agrawal Jain and Mahesh Wadhwa.*

(b) The details of the Equity Shares allotted for consideration other than cash are provided in the following table:

Date of allotment	Name of the allottees	No. of Equity Shares allotted	Face value (Rs.)	Issue price (Rs.)	Reasons for allotment	Whether any benefits accrued to our Company
March 12, 2010	Shareholders of our Company(1)	1,450,661	10.00	-	Bonus issue in the ratio 18:100	-
September 20, 2011	Shareholders of our Company(2)	19,035,208	10.00	-	Bonus issue in the ratio 2:1	-

(1) *Allotted to IDBI Bank, Canara Bank, SBI, ING Vysya, Federal Bank, IL&FS Trust (on behalf of Milestone Fund), IL&FS, Sundaram Finance Distribution Limited, First Leasing Company of India Limited, Tata Investment, Kalimati Investment Corporation Limited, Russell Investments Limited, Kotak Mahindra Bank Limited, Harita Techserv Limited, TCFC Finance Limited, K. Sivaprakasam, D.R. Dogra, Rajesh Mokashi, P.N. Sathees Kumar, Navin K. Jain, T.N. Arun Kumar, Milind Gadkari, Mehul Pandya, Priti Agarwal, Swati Agrawal Jain and Mahesh Wadhwa pursuant to a resolution dated September 29, 2009. Bonus issue was undertaken through capitalization of the general reserves of our Company.*

(2) *Allotted to IDBI Bank, Canara Bank, SBI, IL&FS, Federal Bank, Bajaj Holdings and Investments Limited, Aditya Birla Private Equity Trust A/c – Aditya Birla Private Equity – Fund I, IL&FS Trust (on behalf of Milestone Fund), ING Vysya, Russell Investments Limited, Tata Investment, Poonawalla Investment & Industries Private Limited, Money Matters Financial Services Limited, Kalimati Investment Company Limited, Serum Institute of India Limited, Adar Cyrus Poonawalla, Adar Poonawalla Finvest Private Limited, Kumkum Kanwaljit Singh, Milestone Trusteeship (for Equity Shares held on behalf of Milestone Army Trust), K. Sivaprakasam, D.R. Dogra, Rajesh Mokashi, P.N. Sathees Kumar, Navin K. Jain, T.N. Arun Kumar, Milind Gadkari, Mehul Pandya, Priti Agarwal, Swati Agrawal Jain and Mahesh Wadhwa pursuant to a resolution dated September 13, 2011. Bonus issue was undertaken through capitalization of the general reserves of our Company.*

2. Details of Lock-in

(a) Our Company is a professionally managed company and does not have an identifiable promoter in terms of the SEBI Regulations. Accordingly, in terms of Regulation 34(a) of the SEBI Regulations, there is no requirement of promoters' contribution in this Offer and none of the Equity Shares will be locked-in for a period of three years.

(b) *Details of pre-Offer Equity Share capital locked in for one year*:

Other than 7,199,700 Equity Shares forming part of the Offer for Sale, the entire pre-Offer Equity Share capital will be locked-in for a period of one year from the date of Allotment. However, (i) Equity Shares allotted to certain employees of our Company pursuant to the Scheme shall not be subject to any lock-in under the SEBI Regulations, except for Equity Shares held by ex-employees of our Company pursuant to the Scheme; (ii) 1,094,169 Equity Shares held by Milestone Fund (through its trustee IL&FS Trust), a VCF (1,094,169 Equity Shares exclude 58,605 Equity Shares offered by Milestone Fund in the Offer) will not be subject to lock-in under the SEBI Regulations; and (iii) 1,220,427 Equity Shares held by Aditya Birla Private Equity Trust A/c – Aditya Birla Private Equity – Fund I, a VCF, will not be subject to lock-in under the SEBI Regulations.

(c) *Other requirements in respect of lock-in*:

The Equity Shares held by the shareholders of our Company prior to the Offer, which are locked-in for one year pursuant to the Offer, may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations, if applicable.

(d) Lock-in of Equity Shares to be Allotted, if any, to the Anchor Investor

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.

3. **Shareholding Pattern of our Company**

(i) The table below presents the shareholding pattern of our Company before the Offer and as adjusted for the Offer:

Category code	Category of shareholder	No. of share holders	No. of shares held in dematerialised form	Pre-Offer			Post-Offer			Shares pledged or otherwise encumbered	
				Total No. of shares	Total shareholding as a % of total no. of shares		Total No. of shares	Total shareholding as a % of total no. of shares			
					As a % of (A+B)	As a % of (A+B+C)		As a % of (A+B)	As a % of (A+B+C)	No. of shares	As a %
(A)	**Shareholding of promoters[(1)] and promoter group**										
1	**Indian**										
(a)	Individuals/Hindu undivided family	-	-	-	-	-	-	-	-	-	-
(b)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-	-
(c)	Bodies corporate	-	-	-	-	-	-	-	-	-	-
(d)	Financial institutions/banks	-	-	-	-	-	-	-	-	-	-
(e)	Any others (specify)	-	-	-	-	-	-	-	-	-	-
	Sub Total(A)(1)	-	-	-	-	-	-	-	-	-	-
2	**Foreign**										
(a)	Individuals (non-residents individuals/ foreign individuals)	-	-	-	-	-	-	-	-	-	-
(b)	Bodies corporate	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-
(d)	Qualified foreign investor	-	-	-	-	-	-	-	-	-	-
(e)	Any others (specify)	-	-	-	-	-	-	-	-	-	-
	Sub Total(A)(2)	-	-	-	-	-	-	-	-	-	-
	Total shareholding of promoters and promoter group (A) = (A)(1)+(A)(2)	-	-	-	-	-	-	-	-	-	-
(B)	**Public shareholding**										
1	**Institutions**										
(a)	Mutual funds/UTI	-	-	-	-	-					
(b)	Financial institutions /banks	5	19,018,185	19,018,185	66.61	66.61					
(c)	Central Government/State Government(s)	-	-	-	-	-					
(d)	Venture capital funds	-	-	-	-	-					
(e)	Insurance companies	-	-	-	-	-					
(f)	Foreign institutional investors	-	-	-	-	-					
(g)	Foreign venture capital investors	-	-	-	-	-					
(h)	Qualified foreign	-	-	-	-	-					

Category code	Category of shareholder	No. of share holders	No. of shares held in dematerialised form	Pre-Offer			Post-Offer			Shares pledged or otherwise encumbered	
				Total No. of shares	Total shareholding as a % of total no. of shares		Total No. of shares	Total shareholding as a % of total no. of shares			
					As a % of (A+B)	As a % of (A+B+C)		As a % of (A+B)	As a % of (A+B+C)	No. of shares	As a %
	investor										
(i)	Any other (specify)	-	-	-	-	-					
	Sub-total (B)(1)	**5**	**19,018,185**	**19,018,185**	**66.61**	**66.61**					
B 2	**Non-institutions**										
(a)	Bodies corporate	12	8,791,542	9,145,542	32.03	32.03					
(b)	Individuals										
I	i. Individual shareholders holding nominal share capital up to Rs. 0.1 million	3	-	18,462	0.06	0.06					
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 0.1 million.	10	120,000	370,623	1.30	1.30					
(c)	Qualified foreign investor	-	-	-	-	-					
(d)	Any other (specify)	-	-	-	-	-					
	Sub-total (B)(2)	**25**	**8,911,542**	**9,534,627**	**33.39**	**33.39**					
(B)	**Total public shareholding (B)= (B)(1)+(B)(2)**	**30**	**27,929,727**	**28,552,812**	**100.00**	**100.00**	**28,552,812** [(2)]	**100.00**	**100.00**		
	TOTAL (A)+(B)	**30**	**27,929,727**	**28,552,812**	**100.00**	**100.00**	**28,552,812**	**100.00**	**100.00**	Nil	Nil
(C)	**Shares held by custodians and against which depository receipts have been issued**	-	-	-	-	-	-	-	-	-	-
	Sub-Total (C)	-	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	**30**	**27,929,727**	**28,552,812**	**100.00**	**100.00**	**28,552,812**	**100.00**	**100.00**	**Nil**	**Nil**

[(1)]Our Company for the limited purposes of Chapter IV of the CRA Regulations classifies IDBI Bank and Canara Bank as promoters of our Company since IDBI Bank and Canara Bank each hold more than 10% of the issued and paid up capital of our Company. Our Company is a professionally managed company and does not have an identifiable promoter in terms of the SEBI Regulations.

[(2)] Including 7,199,700 Equity Shares to be Allotted pursuant to the Offer.

4. **Public shareholders holding more than 1% of the pre-Offer paid up share capital of our Company:**

The details of the public shareholders holding more than 1% of the pre-Offer paid up share capital of our Company and their pre-Offer and post-Offer shareholding are set forth in the table below:

Sr. No.	Name of the shareholder	Pre-Offer		Post-Offer*	
		No. of Equity Shares held	Percentage (%)	No. of Equity Shares held	Percentage (%)
1.	IDBI Bank Limited	7,363,200	25.79	4,908,800	17.19
2.	Canara Bank	6,513,600	22.81	4,342,400	15.21
3.	State Bank of India	2,743,500	9.61	1,829,000	6.41
4.	IL&FS Financial Services Limited	2,566,500	8.99	1,711,000	6.00
5.	The Federal Bank Limited	1,770,000	6.20	1,185,900	4.15
6.	Bajaj Holdings and Investment Limited	1,707,615	5.98	1,707,615	5.98

Sr. No.	Name of the shareholder	Pre-Offer		Post-Offer*	
		No. of Equity Shares held	Percentage (%)	No. of Equity Shares held	Percentage (%)
7.	Aditya Birla Private Equity Trust A/c – Aditya Birla Private Equity – Fund I	1,220,427	4.27	1,220,427	4.27
8.	IL&FS Trust Company Limited (Equity Shares held on behalf of Milestone Private Equity Fund)	1,152,774	4.04	1,094,169	3.83
9.	ING Vysya Bank Limited	627,885	2.20	567,885	1.99
10.	Russell Investments Limited	531,000	1.86	531,000	1.86
11.	Tata Investment Corporation Limited	408,000	1.43	308,000	1.08
12.	Poonawalla Investment & Industries Private Limited	397,500	1.39	397,500	1.39
13.	Money Matters Financial Services Limited	372,279	1.30	372,279	1.30
14.	Kalimati Investment Company Limited	354,000	1.24	354,000	1.24
15.	Serum Institute of India Limited	328,500	1.15	328,500	1.15

** Assuming full subscription in the Offer.*

5. **The list of top 10 shareholders of our Company and the number of Equity Shares held by them is as under:**

(a) As of the date of this Prospectus i.e. December 13, 2012 (pre-Offer and post-Offer shareholding, based on pre-Offer paid up Equity Share capital of our Company):

Sr. No.	Name of the shareholder	Pre-Offer		Post-Offer*	
		No. of Equity Shares held	Percentage (%)	No. of Equity Shares held	Percentage (%)
1.	IDBI Bank Limited	7,363,200	25.79	4,908,800	17.19
2.	Canara Bank	6,513,600	22.81	4,342,400	15.21
3.	State Bank of India	2,743,500	9.61	1,829,000	6.41
4.	IL&FS Financial Services Limited	2,566,500	8.99	1,711,000	6.00
5.	The Federal Bank Limited	1,770,000	6.20	1,185,900	4.15
6.	Bajaj Holdings and Investment Limited	1,707,615	5.98	1,707,615	5.98
7.	Aditya Birla Private Equity Trust A/c – Aditya Birla Private Equity – Fund I	1,220,427	4.27	1,220,427	4.27
8.	IL&FS Trust Company Limited (Equity Shares held on behalf of Milestone Private Equity Fund)	1,152,774	4.04	1,094,169	3.83
9.	ING Vysya Bank Limited	627,885	2.20	567,885	1.99
10.	Russell Investments Limited	531,000	1.86	531,000	1.86

** Assuming full subscription in the Offer.*

(b) As of 10 days prior to the date of this Prospectus i.e. December 3, 2012:

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage (%)
1.	IDBI Bank Limited	7,363,200	25.79
2.	Canara Bank	6,513,600	22.81
3.	State Bank of India	2,743,500	9.61
4.	IL&FS Financial Services Limited	2,566,500	8.99
5.	The Federal Bank Limited	1,770,000	6.20
6.	Bajaj Holdings and Investment Limited	1,707,615	5.98
7.	Aditya Birla Private Equity Trust A/c – Aditya Birla Private Equity – Fund I	1,220,427	4.27
8.	IL&FS Trust Company Limited (Equity Shares held on behalf of Milestone Private Equity Fund)	1,152,774	4.04
9.	ING Vysya Bank Limited	627,885	2.20
10.	Russell Investments Limited	531,000	1.86

(c) As of two years prior to the date of this Prospectus i.e. December 13, 2010:

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage (%)
1.	IDBI Bank Limited	2,454,400	25.79
2.	Canara Bank	2,171,200	22.81
3.	State Bank of India	914,500	9.61
4.	IL&FS Financial Services Limited	855,500	8.99
5.	The Federal Bank Limited	590,000	6.20
6.	Bajaj Holdings and Investment Limited	569,205	5.98
7.	Aditya Birla Private Equity Trust A/c – Aditya Birla Private Equity – Fund I	406,809	4.27
8.	IL&FS Trust Company Limited	384,258	4.04
9.	ING Vysya Bank Limited	209,295	2.20
10.	Russell Investments Limited	177,000	1.86

6. **Employees Stock Option Schemes**

(a) **CARE Employees Stock Option Scheme, 2006**

Our Company instituted the CARE Employees Stock Option Scheme, 2006 (the "**Scheme**") on December 1, 2006, pursuant to the Board and shareholders' resolutions dated August 28, 2006 and September 29, 2006, respectively. The purpose of the Scheme was to *inter alia* align interest of employees with our Company, reward high performing employees, encourage performance improvement and retain talent. As on the date of this Prospectus, there are no options outstanding under the Scheme and the Scheme has terminated.

Our Company granted options convertible into 727,500 Equity Shares in the year 2006, which represented 10% of the paid up Equity Share capital of our Company prior to such grant. In financial year 2010, our Company allotted 291,943 Equity Shares pursuant to exercise of options and 435,557 options were cancelled. The following table sets forth the particulars of the options granted under the Scheme and the Equity Shares allotted pursuant to the exercise of such options, as of the date of filing of this Prospectus:

Particulars	Details
Options granted	727,500
The pricing formula	50% of book value of the Equity Shares as on March 31, 2007
Exercise price of options	Rs. 31.82
Total options vested	380,580
Options exercised	291,943
Total number of Equity Shares that have arisen as a result of full exercise of options already granted	291,943
Options forfeited/lapsed/cancelled	435,557
Variation in terms of options	Pursuant to meeting of the Board of Directors held on February 10, 2009, there was variation in certain terms and conditions of the Scheme including imposing lock-in period of one year from the date of allotment of Equity Shares and provision in relation to buy-back of Equity Shares allotted pursuant to exercise of options
Money realized by exercise of options	Rs. 9,252,306.54(1)
Options outstanding (in force)	Nil
Person wise details of options granted to	

Particulars	Details
(i) Directors and key managerial employees	Please see Note 1 below
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Please see Note 2 below
(iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	N.A.
Fully diluted EPS on a pre-Offer basis on exercise of options calculated in accordance with Accounting Standard 20 'Earning Per Share'	**Consolidated basis** Financial year 2012 – Rs. 40.55 **Unconsolidated basis** Financial year 2012 – Rs. 40.52 Financial year 2011 - Rs. 30.80 Financial year 2010 - Rs. 30.01 Financial year 2009 - Rs. 18.35 Financial year 2008 - Rs. 9.35
Difference between employee compensation cost using the intrinsic value method and the employee compensation cost that shall have been recognized if our Company has used fair value of options and impact of this difference on profits and EPS of our Company	Nil
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted average exercise price - Rs. 31.69. Weighted average fair value - Rs. 79.00 as on November 30, 2006.
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Our company adopted earning capitalization method to estimate the fair value of stock options with following assumptions: • Capitalization rate - 18% • Discounting rate - 20
Vesting schedule	From December 1, 2006 to December 1, 2008
Lock-in	One year from the date of allotment
Impact on profits of the last three years	**Consolidated basis** Financial year 2012 – Nil **Unconsolidated basis** Financial year 2012 - Nil Financial year 2011 - Nil Financial year 2010 - Nil
Intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	Nil
Intention to sell Equity Shares arising out of the exercise of options	None of our Directors, key

Particulars	Details
granted under the Scheme within three months after the listing of equity shares by directors, senior managerial personnel and employees amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	managerial personnel and employees individually holds more than 1% of the issued capital of our Company.

(1) *Adjusted for Rs. 37,340 refunded to Milind Gadkari as an adjustment to the bonus issue undertaken by our Company.*

Note 1: Details regarding options granted to Directors and key managerial personnel are set forth below:

Name of Director/ key managerial personnel	Total No. of options granted	No. of options exercised	Total No. of options reversed / cancelled	Total No. of options outstanding
K. Sivaprakasam(1)	109,956	54,978	54,978	Nil
D.R. Dogra	94,248	47,124	47,124	Nil
Rajesh Mokashi	94,248	47,124	47,124	Nil
S. Nag(2)	67,318	Nil	67,318	Nil
P.N. Sathees Kumar	67,318	33,659	33,659	Nil
Navin K. Jain	53,856	26,928	26,928	Nil
T.N. Arun Kumar	53,856	26,928	26,928	Nil
Milind Gadkari	40,392	20,196	20,196	Nil
Mehul Pandya	26,928	13,464	13,464	Nil
Priti Agarwal	16,156	8,078	8,078	Nil
Swati Agrawal Jain	13,464	6,732	6,732	Nil

(1) *K. Sivaprakasam retired from our Company with effect from June 30, 2008.*
(2) *S.Nag has resigned from our Company with effect from March 31, 2012.*

Note 2: Details of employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year:

Name of Director/ key managerial personnel	Total No. of options granted
K. Sivaprakasam(1)	109,956
D.R. Dogra	94,248
Rajesh Mokashi	94,248
S. Nag(2)	67,318
P.N. Sathees Kumar	67,318
Navin K. Jain	53,856
T.N. Arun Kumar	53,856
Milind Gadkari	40,392

(1) *K. Sivaprakasam retired from our Company with effect from June 30, 2008.*
(2) *S.Nag has resigned from our Company with effect from March 31, 2012.*

(b) Of 109,956 stock options that had been granted to K. Sivaprakasam (who retired from our Company on June 30, 2008) under the Scheme, 54,978 options were exercised and equivalent number of Equity Shares were allotted to K. Sivaprakasam by our Company and the balance 54,978 options were cancelled. Our Company had amongst other things informed K. Sivaprakasam through a letter dated March 24, 2009 that stock options equivalent to 54,978 Equity Shares would be issued to him as and when our Company implemented a new stock option plan. K. Sivaprakasam, through a letter dated March 25, 2009, had agreed to our Company's proposal. Accordingly, our Company framed the 'Stock Option Scheme of Credit Analysis and Research Limited, 2012' (the "**2012 Scheme**") pursuant to the Board and shareholders' resolutions dated February 18, 2012 and April 18, 2012, respectively. On April 20, 2012, our Company granted 194,622 stock options (the "**Options**") convertible into 194,622 Equity Shares (as adjusted for the bonus issues undertaken by our Company in March 2010 and September 2011) to K. Sivaprakasam under the 2012 Scheme. K. Sivaprakasam did not exercise the Options and accordingly, in terms of the 2012

Scheme, the Options lapsed. As on the date of this Prospectus, there are no Options outstanding under the 2012 Scheme and the 2012 Scheme has terminated.

7. Our Company, the Selling Shareholders, the Directors and the BRLMs have not entered into any buy-back and/or standby arrangements for purchase of Equity Shares from any person.

8. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares.

9. Our Company has not issued any Equity Shares during a period of one year preceding the date of this Prospectus at a price which may be lower than the Offer Price.

10. None of the Directors and their immediate relatives have purchased or sold any Equity Shares during a period of six months preceding the date on which the Draft Red Herring Prospectus was filed with SEBI.

11. Our Company has not issued any Equity Shares out of revaluation reserves.

12. Our Company has not issued any Equity Shares pursuant to any scheme approved under the Sections 391-394 of the Companies Act.

13. IDBI Bank and SBI hold 7,363,200 and 2,743,500 Equity Shares, respectively. IDBI Capital and SBI Capital Markets are affiliates of IDBI Bank and SBI, respectively. SBI Capital Markets and IDBI Capital have signed the due diligence certificate dated September 30, 2011 and accordingly have been disclosed as Book Running Lead Managers. In compliance with proviso to Regulation 21A of the SEBI Merchant Bankers Regulations and proviso to Regulation 5(3) of the SEBI Regulations, SBI Capital Markets and IDBI Capital are the marketing lead managers and would be involved only in the marketing of the Offer. For details, see "General Information - Inter-se Allocation of Responsibilities of the BRLMs" on page 55 of this Prospectus.

14. All Equity Shares offered through this Offer will be fully paid-up at the time of Allotment failing which no Allotment shall be made.

15. The Directors or the relatives of the Directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the six months preceding the date on which the Draft Red Herring Prospectus was filed with SEBI.

16. None of our Directors have purchased/subscribed or sold any securities of our Company within three years immediately preceding the date of registering this Prospectus with the RoC, which in aggregate is equal to or greater than 1% of pre-Offer share capital of our Company.

17. An oversubscription to the extent of 10% of the Offer can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot.

18. There will be no further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed.

19. Our Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid/Offer Opening Date, 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 on a preferential basis or issue of bonus or rights or further public issue of specified securities or qualified institutions placement or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.

20. Our Company shall allocate 50% of the Offer to QIBs on a proportionate basis. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation to Mutual Funds only and the

remaining QIB Portion shall be available for allocation to the QIB Bidders including Mutual Funds subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer will be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received from them at or above the Offer Price. Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange.

21. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

22. No person connected with the Offer, including, but not limited to, the BRLMs, the Syndicate Members, our Company, our Directors, our Subsidiary and the Selling Shareholders, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

OBJECTS OF THE OFFER

The objects of the Offer are to carry out the sale of 7,199,700 Equity Shares by the Selling Shareholders and to achieve the benefits of listing the Equity Shares on the Stock Exchanges. Our Company will not receive any proceeds from the Offer, and all proceeds shall go to the Selling Shareholders. Listing will also provide a public market for the Equity Shares of our Company in India.

Offer Expenses

The Offer related expenses consist of underwriting fees, selling commission, fees payable to the BRLMs, legal counsels, Bankers to the Offer, Escrow Collection Banks and the Registrar to the Offer, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. Other than listing fees and some proportion of advertising expenses, which will be paid by our Company, all expenses with respect to the Offer will be shared between the Selling Shareholders in proportion to the Equity Shares contributed to the Offer. The break-up for the Offer expenses is as follows:

Expenses	Expense (Rs. in million)	Expense (% of total expenses)	Expense (% of Offer size)
Book Running Lead Managers (including underwriting commission, brokerage and selling commission)	83.55	35.40%	1.55%
Commission/processing fee for SCSBs and Syndicate for ASBA	15.21	6.44%	0.28%
Registrar to the Offer	2.81	1.19%	0.05%
Advisors	41.49	17.58%	0.77%
Others			
- Listing fees	6.31	2.67%	0.12%
- Printing and stationary	30.00	12.71%	0.56%
- Advertising and marketing expenses	42.48	18.00%	0.79%
- Others	14.17	6.01%	0.26%
Total estimated Offer expenses(1)	**236.03**	**100.00%**	**4.37%**

(1) *In addition, our Company has furnished a refundable security deposit of 1% of the Offer Size, i.e. Rs. 54 million, to the BSE in terms of Clause 42 of the Listing Agreement. The total estimated offer expenses plus refundable security deposit submitted to the BSE aggregate to Rs. 290.03 million.*

SCSBs would be entitled to a processing fee of Rs. 15 per valid Bid cum Application Form submitted by ASBA Bidders to the Syndicate Members in the Specified Cities and submitted by the Syndicate Members to SCSBs.

Monitoring of Utilization of Funds

As the Offer consists of only an offer for sale by the Selling Shareholders, our Company has not appointed a monitoring agency for the Offer.

BASIS FOR OFFER PRICE

The Offer Price of Rs. 750 per Equity Share has been determined by our Company and the Selling Shareholders in consultation with the BRLMs, on the basis of assessment of market demand and on the basis of the following qualitative and quantitative factors, for the Equity Shares offered by way of the Book Building Process.

The face value of the Equity Shares is Rs. 10 and the Offer Price is 75 times the face value of the Equity Shares.

Investors should also refer to the sections "Our Business", "Risk Factors" and "Financial Statements" on pages 97, 15 and 141, respectively, of this Prospectus, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors which form the basis for computing the Offer Price are:

- Established presence in rating debt instruments and bank loans and facilities;
- Domain experience across a range of sectors;
- Strong rating credibility and brand presence;
- Strong origination capabilities and relationship management;
- Experienced management; and
- Strong financial position and profitability.

For further details, refer to the sections "Our Business" and "Risk Factors" on pages 97 and 15, respectively, of this Prospectus.

Quantitative Factors

All information presented in this section is derived from the restated unconsolidated and consolidated financial statements of our Company.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. ***Basic Diluted Earnings Per Share ("EPS")***

As per the restated unconsolidated financial statements of our Company:

Financial Period	Basic EPS (Rs.)	Diluted EPS (Rs.)	Weight
Year ended March 31, 2010	30.08	30.01	1
Year ended March 31, 2011	30.80	30.80	2
Year ended March 31, 2012	40.52	40.52	3
Weighted Average	35.54	35.54	-
Six months period ended September 30, 2012*	17.53	17.53	-

** Not annualised*

As per the restated consolidated financial statements of our Company:

Financial Period	Basic EPS (Rs.)	Diluted EPS (Rs.)	Weight
Year ended March 31, 2012	40.55	40.55	-
Six months period ended September 30, 2012*	17.43	17.43	-

** Not annualised*

Note: EPS calculations have been done in accordance with Accounting Standard 20 – 'Earning per share' issued by ICAI

2. ***Price Earnings Ratio ("P/E" Ratio)***

P/E Ratio in relation to Offer Price of Rs. 750 per Equity Share.

a. P/E based on basic EPS for the year ended March 31, 2012:

Particulars	P/E (Unconsolidated)	P/E (Consolidated)
P/E based on basic EPS for the year ended March 31, 2012	18.51	18.50
P/E based on weighted average basic EPS for the year ended March 31, 2012	21.10	-

b. P/E based on diluted EPS for the year ended March 31, 2012:

Particulars	P/E (Unconsolidated)	P/E (Consolidated)
P/E based on diluted EPS for the year ended March 31, 2012	18.51	18.50
P/E based on weighted average diluted EPS for the year ended March 31, 2012	21.10	-

Note: Peer Group P/E
*a. Highest: 32.39**
*b. Lowest: 25.09**
*c. Average: 28.74**

** Based on consolidated financial data of CRISIL and ICRA for the year ended December 31, 2011 and March 31, 2012, respectively, and closing market price as on October 30, 2012, available on www.nseindia.com.*

3. ***Return on Net Worth (RoNW)[(1)] as per restated financial statements***

As per unconsolidated financial statements

Particulars	RoNW %	Weight
Year ended March 31, 2010	40.14%	1
Year ended March 31, 2011	29.89%	2
Year ended March 31, 2012	30.71%	3
Weighted Average	32.01%	-
Six months period ended September 30, 2012*	11.73%	

[(1)] For details of RoNW computation, please refer to Annexure XIV (Restated Statement of Unconsolidated Accounting Ratios) in the section "Financial Statements" on page 199 of this Prospectus.
** Not annualised*

As per consolidated financial statements

Particulars	RoNW %	Weight
Year ended March 31, 2012	30.72%	-
Six months period ended September 30, 2012*	11.67%	-

(1) For details of RoNW computation, please refer to Annexure XIV (Restated Statement of Consolidated Accounting Ratios) in the section "Financial Statements" on page 167 of this Prospectus.
** Not annualised*

4. ***Minimum RoNW required for maintaining pre-Offer EPS as at March 31, 2012 is 30.71% (on an unconsolidated basis) and 30.72% (on a consolidated basis)***.

As the Offer consists only of an offer for sale by the Selling Shareholders, there will be no change in the net worth post-Offer.

5. ***Net asset value Per Equity Share after considering the Offer***

Particular	As at September 30, 2012 (Consolidated)	As at September 30, 2012 (Unconsolidated)
NAV per Equity Share (Rs.)	149.41	149.48

Offer Price: Rs. 750 per Equity Share

Note: *NAV per Equity Share has been computed as net worth at the end of the period divided by total number of Equity Shares outstanding at the end of the period.*

As the Offer consists only of an offer for sale by the Selling Shareholders, there will be no change in the NAV post-Offer.

6. ***Comparison of accounting ratios with industry peers***

Sr. No.	Name of the company	Standalone/ Consolidated	Revenue (from operations and other income) (Rs. million)	Face value (Rs. per Share)	EPS (Rs.)	P/E Ratio	RoNW (%)	Book value per share (Rs.)
1.	Credit Analysis and Research Limited	Consolidated[1]	2,187.95	10.00	40.55	18.50	30.72%	131.98
Peers								
2.	CRISIL [2]	Consolidated	8,497.75	1.00	28.98	32.39[4]	49.9%	59.00
3.	ICRA [3]	Consolidated	2,287.91	10.00	54.01	25.09[4]	17.9%	301.61

[1] *Based on restated audited consolidated financial statements for the year ended March 31, 2012*
[2] *Source: Annual report of CRISIL for the year ended December 31, 2011*
[3] *Source: Annual report of ICRA for the year ended March 31, 2012*
[4] *P/E ratio based on closing market price as on October 30, 2012, available on www.nseindia.com.*

The Offer Price of Rs. 750 per Equity Share has been determined by our Company and Selling Shareholders, in consultation with the BRLMs on the basis of the demand from investors for the Equity Shares through the Book-Building Process and is justified based on the above accounting ratios. For further details and to have a more informed view, see the section "Risk Factors" on page15 of this Prospectus and the financials of our Company including important profitability and return ratios, as set out in the section "Financial Statements" on page 141 of this Prospectus. The trading price of the Equity Shares could decline due to the factors mentioned in the section "Risk Factors" on page 15 of this Prospectus and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors
Credit Analysis and Research Limited
4th Floor, Godrej Coliseum,
Somaiya Hospital Road,
Sion (East), Mumbai – 400 022

Certification of Statement of Possible Tax Benefits (the "Statement") in connection with Initial Public Offering by Credit Analysis and Research Limited (the "Company") under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009

Dear Sirs,

We hereby report that the attached Annexure states the possible tax benefits available to the Company and to the shareholders of the Company under the Income Tax Act, 1961 (provisions of Finance Act, 2012), the Wealth Tax Act, 1957 and the Gift Tax Act, 1958 which are presently in force in India, subject to the fact that several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant laws. Hence the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperative, the Company may or may not choose to fulfill.

The benefits discussed in the Annexure are not exhaustive nor are they conclusive. The preparation of the contents stated is the responsibility of the Company's management. This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for the professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participations in the Offer. We do not express any opinion or provide any assurance as to whether:

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing of these benefits have been/ would be met with; or
- the revenue authorities / appellate authorities / courts will concur with the views expressed in the enclosed Statement.

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

This Statement is not intended to be, and should not be distributed to or used for any other purpose without our consent.

For Khimji Kunverji & Co.
Chartered Accountants
Firm Registration Number –117348

Sd/-
Gautam V Shah
Partner (F –117348)

Place: Mumbai
Date: October 21, 2012

Annexure to the Statement of Tax Benefits

The following key tax benefits are available to the Company and the prospective shareholders under the current direct tax laws in India.

The tax benefits listed below are the possible benefits available under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfill. This Statement is only intended to provide the tax benefits to the Company and its shareholders in a general and summary manner and does not purport to be a complete analysis or listing of all the provisions or possible tax consequences of the subscription, purchase, ownership or disposal etc. of shares. In view of the individual nature of tax consequence and the changing tax laws, each investor is advised to consult his/ her own tax adviser with respect to specific tax implications arising out of their participation in the Offer.

A. Benefits available to the Company under the Income-tax Act, 1961 (the "Income Tax Act"):

1. <u>Special Tax Benefits</u>

There are no special benefits available to the Company and its shareholders.

2. <u>General Tax Benefits</u>

2.1 Business Income

2.1.1 The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per provisions of Section 32 of the Income Tax Act.

2.1.2 Business losses, if any, for an assessment year can be carried forward and set off against business profits for eight subsequent years. Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against any source of income in subsequent years as per provisions of Section 32 of the Income Tax Act.

2.2 MAT credit

2.2.1 As per provisions of Section 115JAA of the Income Tax Act, the Company is eligible to claim credit for Minimum Alternate Tax ("**MAT**") paid for any assessment year commencing on or after April 1, 2006 against normal income-tax payable in subsequent assessment years.

2.2.2 MAT credit shall be allowed as above in an assessment year to the extent of difference between the tax payable as per the normal provisions of the Income Tax Act and the tax paid under Section 115JB for that assessment year. Such MAT credit is available for set-off up to 10 years succeeding the assessment year in which the MAT credit arises.

2.3 Business Income or Capital Gains

The characterization of the gain or losses arising from sale or transfer of shares or securities or any other commodity or asset as business income or capital gains would depend on the facts and circumstances of each case including the nature of holding and various other factors.

The shares or securities or any other commodity or asset held by the Company will be treated as its stock-in-trade or capital asset depending upon the facts and circumstances of each case. In case such shares or securities or any other commodity or asset are treated as stock-in-trade then income arising from transfer thereof will be taxable as income under head 'Profits and gains from business or profession'. In case such shares or securities or any other commodity or asset are capital assets of the company, income arising from transfer thereof will be taxable as income under head 'Capital Gains'

2.4 Capital gains

2.4.1 **Taxability of capital gains**

2.4.1.1 Capital assets are to be categorized into Short Term Capital Assets ("**STCA**") and Long Term Capital Assets ("**LTCA**") based on the period of holding.

All capital assets, being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Income Tax Act or a zero coupon bond, held by an assessee for more than 12 months are considered to be LTCA.

In respect of any other capital assets, the holding period should exceed 36 months to be considered as LTCA.

Capital Assets other than LTCA are STCA.

Capital gains arising on transfer of LTCA are Long Term Capital Gains ("**LTCG**"). Capital gains arising on transfer of STCA are Short Term Capital Gains ("**STCG**").

2.4.1.2 LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined) is exempt from tax as per provisions of Section 10(38) of the Income Tax Act, provided the transaction is chargeable to Securities Transaction Tax ("**STT**") and subject to conditions specified in that section.

2.4.1.3 However, income exempt under Section 10(38) of the Income Tax Act is to be taken into account while determining book profits in accordance with provisions of Section 115JB of the Income Tax Act.

2.4.1.4 As per provisions of Section 48 of the Income Tax Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.

2.4.1.5 As per provisions of Section 112 of the Income Tax Act, LTCG not exempt under Section 10(38) of the Income Tax Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee. No deduction under Chapter VIA of the Income Tax Act is allowed from such income.

2.4.1.6 As per provisions of Section 111A of the Income Tax Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined), are subject to tax at the rate of 15%, provided the transaction is chargeable to STT. No deduction under Chapter VIA of the Income Tax Act is allowed from such income.

2.4.1.7 Any other STCG arising on transfer of a capital asset is taxable at the rate of 30%.

2.4.1.8 The tax rates mentioned above will be increased by surcharge, payable at the rate of 5% where the taxable income of a domestic company exceeds Rs. 10,000,000. Further, education cess and secondary and higher education cess is payable by all categories of taxpayers at the rate of 2% and 1%, respectively, on income-tax plus surcharge.

2.4.1.9 As per provisions of Section 71 read with Section 74 of the Income Tax Act, loss arising on transfer of STCA during a year is allowed to be set-off against gains arising on transfer of STCA as well as LTCA. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.

2.4.1.10 As per provisions of Section 71 read with Section 74 of the Income Tax Act, loss arising on transfer of LTCA during a year is allowed to be set-off only against gains arising on transfer of LTCA. Balance loss, if any, shall be carried forward and set-off against gains arising on transfer of LTCA during subsequent eight assessment years.

2.4.2 Exemption of capital gains from income - tax

Under Section 54EC of the Income Tax Act, capital gain arising from transfer of long term capital assets (other than those exempt under Section 10(38) of the Income Tax Act) shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in following bonds redeemable after three years and issued by -:

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

Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis.

The maximum investment in the specified long term asset cannot exceed Rs. 5,000,000 per assessee during any financial year.

Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.

2.5 Dividends

2.5.1 As per provisions of Section 10(34) read with Section 115-O of the Income Tax Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another domestic company is exempt from tax in the hands of the shareholder. The Company will be liable to pay dividend distribution tax at the rate of 15% on the total amount distributed as dividend (plus a surcharge of 5% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1%, respectively, on the amount of dividend distribution tax and surcharge thereon). Credit in respect of dividend distribution tax paid by a subsidiary of the Company could be available while determining dividend distribution tax payable by the Company as per provisions of Section 115-O(1A) of the Income Tax Act, subject to fulfillment of prescribed conditions.

2.5.2 As per provisions of Section 10(35) of the Income Tax Act, income received in respect of units of a mutual fund specified under Section 10(23D) of the Income Tax Act (other than income arising from transfer of such units) is exempt from tax.

2.6 Expense incurred in relation to Exempt Income

As per provisions of Section 14A of the Income Tax Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

2.7 Securities Transaction Tax (STT)

As per provisions of Section 36(1)(xv) of the Income Tax Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head ‘Profit and gains of business or profession’.

No deduction shall be allowable in computing the income chargeable under the head ‘Capital gains’ in respect of any sum paid on account of STT on transfer of any capital asset.

2.8 Others

As per provisions of Section 80G of the Income Tax Act, the Company is entitled to claim deduction in respect of donations made to specified organisations subject to, specified limit and fulfillment of the conditions specified in that section.

B. Benefits to the members / shareholders of the Company under the Income Tax Act:

1. Dividends exempt under section 10(34) of the Income Tax Act

Refer to paragraph 2.5.1 in Part A above

2. Income arising from transfer of shares - Business Income or Capital Gains

The shares of the Company held by the shareholder will be treated as his stock-in-trade or capital asset depending upon the facts and circumstances of each case. In case such shares are treated as stock-in-trade then income arising from transfer thereof will be taxable as income under head 'Profits and gains from business or profession'. In case such shares are capital assets of the shareholder income arising from transfer thereof will be taxable as income under head 'Capital gains'.

3. Capital gains

3.1 Taxability of capital gains

3.1.1 In case the shareholder is a company, refer to paragraph 2.4.1 in Part A herein above.

3.1.2 In case the shareholder is other than a company, refer to paragraph 2.4.1 in Part A herein above except for paragraph 2.4.1.3, 2.4.1.7 and 2.4.1.8.

Any STCG (other than those referred to in paragraph 2.4.1.6) arising to shareholders other than company would be taxable at their normal tax rates plus applicable education cess and secondary and higher education cess at the rate of 2% and 1%, respectively, on such income-tax.

3.2 Exemption of capital gains arising from income-tax

3.2.1 Refer to paragraph 2.4.2 in Part A herein above.

3.2.2 In addition to the same, following benefit is also available to a shareholder being an Individual or Hindu Undivided Family ("**HUF**").

As per Section 54F of the Income Tax Act, LTCG arising from transfer of shares will be exempt from tax if net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.

3.2.3 Also refer to paragraph 2.6 and 2.7 in Part A herein above.

3.3 Receipt of shares by an individual or a HUF without adequate consideration

As per provisions of Section 56(2)(vii) of the Income Tax Act and subject to exception provided in second proviso therein, where an individual or a HUF receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value (as defined) of the shares and securities by an amount exceeding Rs. 50,000, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head 'income from other sources'.

C. Benefits to the Non-resident shareholders of the Company under the Income Tax Act:

1. Dividends exempt under section 10(34) of the Income Tax Act

Refer to paragraph 2.5.1 of Part A herein above.

2. Income arising from transfer of shares - Business Income or Capital Gains

The shares of the Company held by the shareholder will be treated as his stock-in-trade or capital asset depending upon the facts and circumstances of each case. In case such shares are treated as stock-in-trade then income arising from transfer thereof will be taxable as income under head ‘Profits and gains from business or profession’. In case such shares are capital assets of the shareholder income arising from transfer thereof will be taxable as income under head ‘Capital gains’.

3. Capital gains

Benefits / taxability outlined in Paragraph 3.1, 3.2 and 3.3 of Part B herein above are also available to a non-resident shareholder except that:

(i) as per first proviso to Section 48 of the Income Tax Act, the capital gains arising on transfer of shares of an Indian company need to be computed by converting the cost of acquisition, expenditure incurred in connection with such transfer and full value of the consideration received or accruing as a result of the transfer, into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation as provided in second proviso to Section 48 is not available to non-resident shareholders.

(ii) any STCG (other than those referred to in paragraph 2.4.1.6) arising to non-resident shareholders would be taxable at their normal tax rates plus applicable surcharge, if any, and education cess and secondary and higher education cess at the rate of 2% and 1%, respectively, on such income-tax

4. Special provision in respect of income / LTCG from specified foreign exchange assets available to Non- resident Indians (NRI) under Chapter XII-A of the Income Tax Act

4.1 NRI (for the purposes of this Statement) means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.

4.2 ‘Specified foreign exchange assets’ include shares of an Indian company which are acquired / purchased / subscribed by NRI in convertible foreign exchange.

4.3 As per provisions of Section 115E of the Income Tax Act, LTCG arising to a NRI from transfer of specified foreign exchange assets is taxable at the rate of 10% (plus education cess and secondary and higher education cess of 2% and 1%, respectively).

4.4 As per provisions of Section 115D of the Income Tax Act, income (other than dividend which is exempt under Section 10(34)) from investments and LTCG (other than gain exempt under Section 10(38)) from assets (other than specified foreign exchange assets) arising to a NRI is taxable at the rate of 20% (education cess and secondary and higher education cess of 2% and 1%, respectively). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Income Tax Act.

4.5 As per provisions of Section 115F of the Income Tax Act, LTCG arising to a NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section.

4.6 As per provisions of Section 115G of the Income Tax Act, where the total income of a NRI consists only of income / LTCG from such foreign exchange asset / specified asset and tax thereon has been deducted at source in accordance with the Income Tax Act, the NRI is not required to file a return of income.

4.7 As per provisions of Section 115H of the Income Tax Act, where a person who is a NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the Income Tax Act for the assessment year in which he / she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A of the Income Tax Act shall continue to apply to him /

her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.

4.8 As per provisions of Section 115I of the Income Tax Act, a NRI can opt not to be governed by the provisions of Chapter XII-A of the Income Tax Act for any assessment year by furnishing return of income for that assessment year under Section 139 of the Income Tax Act, declaring therein that the provisions of the chapter shall not apply for that assessment year. In such a situation, the other provisions of the Income Tax Act shall be applicable while determining the taxable income and tax liability arising thereon.

5. Tax Treaty benefits

As per Section 90 of the Income Tax Act, the shareholder can claim relief in respect of double taxation if any as per the provision of the applicable double tax avoidance agreements.

However, the relief under the double tax avoidance agreements can be claimed only if the non-resident furnishes a Tax Residency Certificate, in the prescribed format under the Income Tax Act, from the Government of the country of which he is a resident.

D. Benefits available to Foreign Institutional Investors ("FIIs") under the Income Tax Act:

1. Dividends exempt under section 10(34) of the Income Tax Act

Refer to paragraph 2.5.1 in Part A herein above.

2. Income arising from transfer of shares - Business Income or Capital Gains

The shares of the company held by the shareholder will be treated as his stock-in-trade or capital asset depending upon the facts and circumstances of each case. In case such shares are treated as stock-in-trade then income arising from transfer thereof will be taxable as income under head 'Profits and gains from business or profession'. In case such shares are capital assets of the shareholder income arising from transfer thereof will be taxable as income under head 'Capital gains'.

3. Capital gains

3.1 As per provisions of Section 115AD of the Income Tax Act, income (other than income by way of dividends referred to Section 115-O) received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20% (plus applicable surcharge and education cess and secondary and higher education cess). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Income Tax Act.

3.2 As per provisions of Section 115AD of the Income Tax Act, capital gains arising from transfer of securities are taxable as follows:

Nature of Income	Rate of Tax#, (%)
LTCG on sale of equity shares not subjected to STT*	10
STCG on sale of equity shares subjected to STT	15
STCG on sale of equity shares not subjected to STT	30

** The benefit of indexation of cost of acquisition, as mentioned under 1st and 2nd proviso to section 48 would not be allowed while computing the capital gains*

 # For corporate FIIs, the tax rates mentioned above will be increased by surcharge, payable at the rate of 2% where the taxable income exceeds Rs. 10,000,000.

Further, education cess and secondary and higher education cess at the rate of 2% and 1%, respectively, on income-tax plus surcharge, if any, is payable by all categories of FIIs.

3.3 Exemption of capital gains from income-tax

3.3.1 LTCG arising on transfer of securities where such transaction is chargeable to STT is exempt from tax under Section 10(38) of the Income Tax Act.

3.3.2 Benefit of exemption under Section 54EC of the Income Tax Act shall be available as outlined in Paragraph 2.4.2 above.

3.4 Expense incurred in relation to Exempt Income

As per provisions of Section 14A of the Income Tax Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

3.5 Securities Transaction Tax (STT)

As per provisions of Section 36(1)(xv) of the Income Tax Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'.

No deduction shall be allowable in computing the income chargeable under the head 'Capital gains' in

respect of any sum paid on account of STT on transfer of any capital asset.

3.6 Tax Treaty benefits

As per Section 90 of the Income Tax Act, the shareholder can claim relief in respect of double taxation if any as per the provision of the applicable double tax avoidance agreements.

However, the relief under the double tax avoidance agreements can be claimed only if the non-resident furnishes a Tax Residency Certificate, in the prescribed format under the Income Tax Act, from the Government of the country of which he is a resident.

E. Benefits available to Mutual Funds under the Income Tax Act:

As per provisions of Section 10(23D) of the Act, any income of mutual funds registered under the Securities and Exchange Board of India Act, 1992 or regulations made there under, mutual funds set up by public sector banks or public financial institutions and mutual funds authorized by the Reserve Bank of India, is exempt from income-tax, subject to the prescribed conditions.

F. Wealth Tax Act, 1957

Shares in a company, held by a shareholder are not treated as an asset within the meaning of Section 2(ea) of the Wealth Tax Act, 1957 and hence, wealth tax is not applicable on shares held in a company.

G. Gift Tax Act, 1958

Gift tax is not liveable in respect of any gifts made on or after October 1, 1998.

NOTES:

- *The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;*
- *The above Statement sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India;*

- *This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer;*

- *In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, that the Government of India has entered into under section 90 of the Income Tax Act; and*

- *The stated benefits will be available only to the sole/first named holder in case the shares are held by joint share holders.*

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section is derived from various government and other public sources. The industry sources cited herein include the websites of Prime Database and the Reserve Bank of India. Neither we nor any other person connected with the Offer has verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources and publications generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assumed and accordingly investment decisions should not be based on such information.

Overview of the Indian Economy

India, with a Gross Domestic Product (GDP – Purchasing Power Parity) of $4,515 billion at the end of 2011, is the fourth largest economy in the world after the European Union, United States and China (*Source: CIA Factbook*). Barring financial year 2009, the economy has registered a growth of 8% and above during the period from financial year 2006 to financial year 2011. Growth slowed down to 6.5% in the financial year 2012 (at constant 2004-05 prices).

YoY growth (%)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Q1 FY 2013
GDP	9.5	9.6	9.3	6.7	8.4	8.4	6.5	5.5
Agriculture	5.1	4.2	5.8	0.1	1.0	7.0	2.8	2.9
Industry	9.7	12.2	9.7	4.4	8.4	7.2	3.4	3.6
Services	10.9	10.1	10.3	10.0	10.5	9.3	8.9	6.9

Source: Central Statistical Organisation, India

The global financial crisis also hit the Indian economy and economic growth slowed to 6.7% in the financial year 2009. However, with buoyant domestic demand, accommodative policies and stimulus packages announced by the Government, the macroeconomic environment improved in the later year and the economy registered a growth of 8.4% in the financial year 2010.

The economy grew at a higher rate in the financial year 2011 and registered an impressive growth of 8.4%. The high growth in GDP came from all the sectors: the agricultural sector expanded by 7%, the manufacturing sector grew at 7.6%, the construction sector expanded by 8.0% and the mining sector grew at 5.0%. The service sector was also buoyant and grew at 9.3% (*Source: Central Statistical Organisation, India*).

Economic scenario in financial year 2012

In the financial year 2012, GDP growth has been rather subdued at 6.5% (at constant 2004-05 prices) owing to persistent high inflation, high interest rates, high government expenditure on subsidies that contributed to a higher fiscal deficit and a worsening current account deficit largely on account of higher crude oil prices. The absence of continuing economic reforms also weighed on the country's economy. The growth in all the three main sectors – agriculture, industry and services, declined in the financial year 2012. Agriculture and allied activities registered a 2.8% growth in the financial year 2012, over the previous year's 7% growth. Likewise, industry grew 3.4% during the financial year 2012. Within industry, the mining sector registered negative growth of 0.9%, while electricity, gas and water supplies saw healthy growth of 7.9%. Manufacturing and construction experienced growth rates of 2.5% and 5.3%, respectively. The services sector has been the best performing sector with a growth of 8.9%, albeit lower than the previous financial year's 9.3%. Within services, financing, insurance, real estate and business services have registered highest growth at 9.6% in the financial year 2012. (*Source: Central Statistical Organisation*, *India*).

Economic Scenario in the first quarter of financial year 2013

The economic weakness of the financial year 2012 was seen to be carried into the first quarter of the current financial year 2013. The GDP growth during the quarter witnessed a drop of 2.5% from that in the corresponding quarter of the previous financial year to 5.5%. Although there was a decline in all three main sectors (agriculture, industry and services), the services sector experienced the sharpest fall of 3.3% to 6.9% in the first quarter of the financial year 2013. The agricultural sector grew by 2.9% during the quarter, lower than the 3.7% growth in the first quarter of the 2012 financial year. Within industry, while the mining and quarrying and construction sectors saw an improvement in growth from -0.2% and 3.5%, respectively (in the first quarter of financial year 2012) to 0.1% and 10.9%, respectively, in the first quarter of financial year 2013, manufacturing saw a sharp drop in its growth rate to 0.2% from the 7.3% of the first quarter of financial year 2012. Likewise, growth in electricity, gas and water supply declined from 8% to 6.3%. Within services, the trade, hotels, transport and communication segment witnessed the sharpest drop of 9.8% to grow by only 4% during the first quarter of the financial year 2013. The other two main segments of the services sector, financing, insurance, real estate; and business services and community, social and personal services, saw their growth rates rise by 1.4% and 4.7%, respectively, to 10.8% and 7.9% in the first quarter of the financial year 2013 (*Source: Central Statistical Organisation, India*).

On October 4, 2012, the Government approved the 12th five year plan (2012-17) document that seeks to achieve annual average economic growth rate of 8.2%, down from 9% envisaged earlier, in view of fragile global recovery. The infrastructure sector will require investment of approximately USD 1 trillion in the 12th Five Year Plan, double the amount envisaged in the ongoing plan period.

Global Credit Rating Industry

Evolution

The credit rating business traces its origins to the mercantile credit agencies in the United States of America. Their function was to rate merchants' ability to honour their financial obligations. The first such agency was established in New York in 1841 by Louis Tappan. Robert Dun subsequently acquired the agency and published its first ratings guide in 1859. A similar mercantile rating agency was formed by John Bradstreet in 1849.

The expansion of the ratings business to securities rating began in 1909 when John Moody started to rate US railroad bonds, and subsequently utility and industrial bonds. Poor's Publishing Company issued its first ratings in 1916, Standard Statistics Company in 1922, and the Fitch Publishing Company in 1924. In 1941, Poor's Publishing and Standard Statistics merged to become Standard & Poor's Corp. Other international rating agencies include Japan Credit Rating Agency Ltd (JCRA) and A.M. Best amongst others.

With the rapid development of financial markets in Asia, these agencies have entered the market through their regional offices in Singapore, Hong Kong and Japan and through strategic tie-ups with local credit rating agencies.

The Credit Rating Industry in India

Genesis of the Credit Rating Industry

In India, the first credit rating agency, Credit Rating and Information Services of India Limited ("**CRISIL**"), was set up in 1987. A second rating agency, ICRA Limited (then known as, Investment Information and Credit Rating Agency of India Limited) ("**ICRA**") was established in 1991 and a third agency, CARE, was established in 1993. Duff and Phelps Credit Rating India (P) Limited which started its operations in 1996 was renamed Fitch Ratings India Private Limited (Fitch) in 2001 and renamed again to India Ratings and Research Private Limited in 2012. Brickworks Ratings India Private Limited (Brickworks) began its rating business in 2008. SME Rating Agency of India Limited (SMERA) also began its rating business in 2008.

In the initial stages, the rating agencies faced several challenges as the corporate debt market in India was nascent. In 1992, credit rating became mandatory for the issuance of debt instruments with maturity/convertibility of 18 months and above. Subsequently, the RBI guidelines made rating mandatory for issuance of commercial paper. RBI also made rating of public deposit schemes mandatory for NBFCs. Since then credit rating has made rapid strides in terms of the number and value of instruments which have been rated.

Further, in 2003, SEBI along with stock exchanges made ratings mandatory for debt instruments placed under private placement basis and having a maturity of one year or more, which are proposed to be listed. Another reason for increase in the demand for ratings is the restriction on certain classes of investors to invest not more than a stipulated part of their portfolio in unrated bonds. The RBI in 2003 issued prudential guidelines on the management of the non-SLR investment portfolio of all scheduled commercial banks except regional rural banks and local area banks. These guidelines require such institutions to make fresh investment only in rated non-SLR securities.

Similarly, non-government provident funds, superannuation funds, gratuity funds can invest in bonds issued by public financial institutions, public sector companies/banks and private sector companies only when they are dual rated (i.e. rated by at least two different credit rating agencies). Further, such provident funds, superannuation funds, gratuity funds can invest in shares of only those companies whose debt is rated investment grade by at least two credit rating agencies on the date of such investments. Investment by mutual funds and insurance companies in unrated paper/non-investment grade paper is also restricted.

Also, demand for rating services is driven by overall capital mobilization in the economy particularly from the debt markets viz. corporate bonds and commercial paper (or other market linked short term instruments) issuance. Economic growth fuels demand for both investment and operational related funding. In a competitive business environment many industries are also increasingly witnessing trends such as consolidation leading to demand for funding mergers and acquisitions. All these factors result in an increase in funding requirements for Indian corporate entities, which can be met through debt placement in the capital market, bank credit, cross border financing such as external commercial borrowing, foreign currency convertible bonds or equity placement.

Historically, bank credit has been a major source of funding for the corporates. Banks in India enjoy relative advantage of extending loans as different from investing in debt papers, which are not required to be 'marked to market'. This provides them with an advantage in the rising interest rate scenario. Banks in India also enjoy the benefit of lower cost of funding as the interest on savings deposits is regulated. This growth in bank credit has led to growth in debt issuances by banks in India. These banks have raised considerable amounts of debt from market to meet growing capital requirements either by issuing Tier-II bonds or by issuing hybrid bonds.

Further, within Basel II, the second of the Basel Accords which contains recommendations on banking laws and regulations issued by the Basel Committee on banking supervision, various approaches for banks to determine credit risk have been prescribed with progressively increasing risk sensitivity. The RBI introduced a phased approach to the implementation of Basel II in India. In the first stage, Indian banks were required by the RBI to adopt a 'standardized approach' for credit risk. Under the 'standardized approach', the RBI recognized certain rating agencies as eligible credit rating agencies and Indian banks are required to use such eligible credit rating agencies to assess their credit risk in order to determine compliance with capital adequacy requirements. The implementation of Basel II standards by the RBI resulted in large scale demand for credit ratings across sectors and geographies, which was previously limited to a small group of clients.

Market Segmentation

The instruments rated by the rating industry can be broadly classified into six major sectors.

1. Financial Sector

Financial sector ratings cover the credit ratings of banks, financial institutions and NBFCs (including asset financiers, capital market related entities and housing finance companies). The debt instruments for the banks are Tier II bonds, hybrid debt capital, certificate of deposits and fixed deposits programmes. For the NBFCs and for financial institutions, the debt instruments are primarily long/short term debentures and commercial paper. Further, financial institutions also issue certificate of deposits.

The growth prospects for the financial sector ratings are driven by economic fundamentals and regulations. This in turn leads to increase in demand for funds by banks, financial institutions and NBFCs, for maintaining prescribed capital adequacy as well as financing growing disbursements.

Bank Loan Rating

Although credit rating is not mandatory under Basel II, the utilization of capital by banks is likely to be more effective if their loans are rated. If a bank chooses to keep some of its loans unrated, it may have to provide, as per extant RBI instructions, a risk weight of 100 per cent for credit risk on such loans. As provided under Basel II, supervisors may increase the standard risk weight for unrated claims where a higher risk weight is warranted by the overall default experience in their jurisdiction. Further, as part of the supervisory review process, the supervisor may also consider whether the credit quality of corporate claims held by individual banks should warrant a standard risk weight higher than 100%.

In terms of RBI instructions on the 'New Capital Adequacy Framework (Basel II)' issued in April 2007, banks were required to initially assign a risk weight of 100 per cent in respect of unrated claims on corporates with the caveat that such claims would be assigned higher risk weights over time.

To begin with, for the financial year 2008-09, all fresh sanctions or renewals in respect of unrated claims on corporates in excess of Rs. 500 million were to attract a risk weight of 150 per cent, and with effect from April 1, 2009, all fresh sanctions or renewals in respect of unrated claims on corporates in excess of Rs. 100 million were to attract a risk weight of 150 per cent. This higher risk weight of 150 per cent for unrated corporate claims was equivalent to the risk weight to be assigned to exposures rated BB and below.

However, in November 2008, as a counter cyclical measure, RBI relaxed the regulatory prescription of 150 percent risk weight for unrated claims. Accordingly, all unrated claims on corporates, irrespective of the amount currently attract a uniform risk weight of 100 percent. This relaxation is temporary and will be reviewed at an appropriate time.

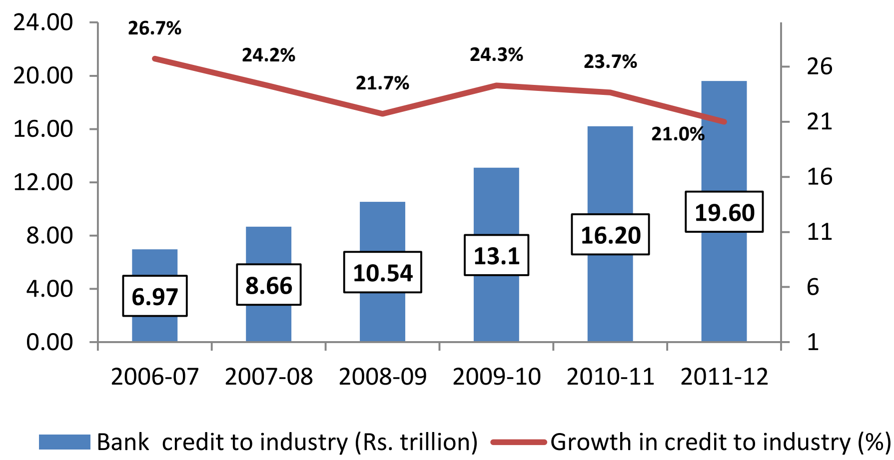
On the other hand, by getting loans rated, a bank can reduce capital commitment on loans in the better rated categories, as shown in the illustration below.

Illustration of capital-saving potential by banks on a loan of Rs. 1,000 million:

Rating category	**Basel I**		**Basel II**		
	Risk Weight	**Capital Required**	**Risk Weight**	**Capital Required**	**Capital Saved**
AAA	100%	90	20%	18	72
AA	100%	90	30%	27	63
A	100%	90	50%	45	45
BBB	100%	90	100%	90	0
BB & Below	100%	90	150%	135	(45)
Unrated	100%	90	100%	90	-

A large number of Indian companies, hitherto unrated by rating agencies, have now come forward to get their bank facilities rated. Basel-II norms hold significant potential for further development of the domestic debt markets, by introducing into the public domain easily accessible credit information about a large pool of mid-sized companies.

The bank credit to industry grew 23.6% in the financial year 2011 over the financial year 2010, and has been one of the major growth drivers for credit rating agencies. The financial year 2012, however, saw a decline in credit growth to industry by 2.3% to 21.3 %. Bank credit to industry as a percentage of total credit has increased from 37.3% in the financial year 2007 to 44.9% in the financial year 2012 (*Source: Reserve Bank of India Database on Sectoral Deployment of Bank Credit)*.



Source: Reserve Bank of India Database on Sectoral Deployment of Bank Credit (http://www.rbi.org.in/scripts/Data_Sectoral_Deployment.aspx)

The sectoral deployment of bank credit outstanding as of the end of August 2010, 2011 and 2012 and as of the end of March 2011 and 2012 is detailed in the table below:

										(Rs. billion)
Sr. No	**Sector**	**Outstanding as on**					**Variation (Y-oY)**		**Variation (Fiscal)**	
		Aug 27, 2010	**Mar.25, 2011**	**Aug 26, 2011**	**Mar 23, 2012**	**Aug 24, 2012**	**Aug 26, 2011 / Aug 27, 2010**	**Aug 24, 2012 / Aug 26, 2011**	**Aug 26, 2011 /Mar 25, 2011**	**Aug 24, 2012 / Mar 23, 2012**
							%	**%**	**%**	**%**
I	**Gross Bank Credit (II + III)**	**31,859**	**37,315**	**38,314**	**43,714**	**44,523**	**20.3**	**16.2**	**2.7**	**1.9**
II	**Food Credit**	**466**	**641**	**703**	**816**	**961**	**50.9**	**36.7**	**9.7**	**17.7**
III	**Non-food Credit (1 to 4)**	**31,393**	**36,674**	**37,611**	**42,897**	**43,563**	**19.8**	**15.8**	**2.6**	**1.6**
1	**Agriculture & Allied Activities**	**3,954**	**4,603**	**4,395**	**5,225**	**5,273**	**11.1**	**20.0**	**-4.5**	**0.9**
2	**Industry (Micro & Small, Medium and Large)**	**13,876**	**16,208**	**17,144**	**19,675**	**19,856**	**23.6**	**15.8**	**5.8**	**0.9**
2.1	Micro & Small	2,116	2,291	2,397	2,592	2,601	13.3	8.5	4.6	0.3
2.2	Medium	1,482	1,846	1,930	2,056	1,978	30.2	2.5	4.5	-3.8
2.3	Large	10,278	12,071	12,818	15,026	15,277	24.7	19.2	6.2	1.7
3	**Services**	**7,423**	**9,008**	**8,852**	**10,168**	**10,314**	**19.2**	**16.5**	**-1.7**	**1.4**
3.1	Transport Operators	527	655	650	713	792	23.3	21.8	-0.7	11.0
3.2	Computer Software	140	151	137	154	147	-1.8	7.2	-9.1	-4.6
3.3	Tourism, Hotels & Restaurants	229	277	291	313	342	27.0	17.7	4.9	9.3
3.4	Shipping	94	92	90	89	76	-4.0	-15.4	-2.1	-14.4
3.5	Professional Services	469	603	517	639	492	10.2	-4.7	-14.3	-22.9
3.6	Trade	1,694	1,863	1,862	2,209	2,314	9.9	24.3	-0.1	4.8
3.6.1	Wholesale Trade (other than food procurement)	940	1,036	975	1,280	1,290	3.7	32.4	-5.9	0.8
3.6.2	Retail Trade	754	827	887	929	1,024	17.6	15.5	7.3	10.2
3.7	Commercial Real Estate	953	1,118	1,117	1,205	1,157	17.1	3.6	-0.2	-4.0
3.8	Non-Banking Financial Companies (NBFCs)	1,127	1,756	1,749	2,218	2,406	55.2	37.6	-0.4	8.5
3.9	Other Services	2,190	2,494	2,440	2,628	2,587	11.4	6.0	-2.1	-1.5
4	**Personal Loans**	**6,140**	**6,854**	**7,100**	**7,830**	**8,119**	**15.6**	**14.4**	**3.6**	**3.7**
4.1	Consumer Durables	91	102	85	88	70	-7.3	-17.1	-16.5	-20.1
4.2	Housing (Including Priority Sector Housing)	3,158	3,461	3,642	4,027	4,182	15.3	14.8	5.2	3.9
4.3	Advances against Fixed Deposits (Including FCNR (B), NRNR	452	605	545	685	570	20.6	4.6	-10.0	-16.8

										(Rs. billion)
Sr. No	**Sector**	**Outstanding as on**					**Variation (Y-oY)**		**Variation (Fiscal)**	
		Aug 27, 2010	**Mar.25, 2011**	**Aug 26, 2011**	**Mar 23, 2012**	**Aug 24, 2012**	**Aug 26, 2011 / Aug 27, 2010**	**Aug 24, 2012 / Aug 26, 2011**	**Aug 26, 2011 /Mar 25, 2011**	**Aug 24, 2012 / Mar 23, 2012**
							%	**%**	**%**	**%**
	Deposits etc.)									
4.4	Advances to Individuals against share, bonds, etc.	24	36	33	38	29	37.2	-11.6	-8.0	-23.3
4.5	Credit Card Outstanding	191	181	190	204	229	-0.4	20.6	4.9	12.0
4.6	Education	405	437	476	502	527	17.8	10.7	9.0	5.1
4.7	Vehicle Loans	693	793	841	949	1,019	21.5	21.1	6.1	7.4
4.8	Other Personal Loans	1,126	1,238	1,288	1,336	1,493	14.4	15.9	4.0	11.7
5	**Priority Sector**	**10,601**	**12,394**	**12,189**	**14,122**	**14,151**	**15.0**	**16.1**	**-1.7**	**0.2**
5.1	Agriculture & Allied Activities	3,954	4,603	4,395	5,225	5,273	11.1	20.0	-4.5	0.9
5.2	Micro & Small Enterprises	3,871	4,550	4,689	5,191	5,099	21.1	8.7	3.1	-1.8
5.2(a)	Manufacturing	2,116	2,291	2,397	2,592	2,601	13.3	8.5	4.6	0.3
5.2(b)	Services	1,755	2,259	2,292	2,599	2,498	30.6	9.0	1.5	-3.9
5.3	Housing	2,251	2,307	2,363	2,554	2,497	5.0	5.6	2.5	-2.3
5.4	Micro-Credit	257	269	236	231	219	-8.3	-7.1	-12.4	-5.3
5.5	Education Loans	396	430	468	483	507	18.0	8.3	8.7	5.0
5.6	State-Sponsored Orgs. for SC/ST	25	20	17	19	20	-32.9	18.4	-17.6	3.3
5.7	Weaker Sections	1,821	2,204	1,977	2,563	2,603	8.6	31.7	-10.3	1.5
5.8	Export Credit	329	318	368	377	390	11.8	6.1	15.6	3.5

Source: Reserve Bank of India – Sectoral Deployment of Credit – August 2012 (http://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/IEPR538SD0912.pdf - Statement 1)

Internationally, the debt markets have also benefited with the increased penetration by pension funds and insurance companies, as these investors have an appetite for longer term investments. They are expected to drive the debt market activity levels forward, which was hitherto slack through these long term investments. In the last few years, India has seen the emergence of private insurance companies which have grown rapidly.

Apart from these, the government has expressed its commitment to develop the domestic debt markets. It has also appointed high level committees to recommend measures to improve the buoyancy in both primary and secondary debt markets.

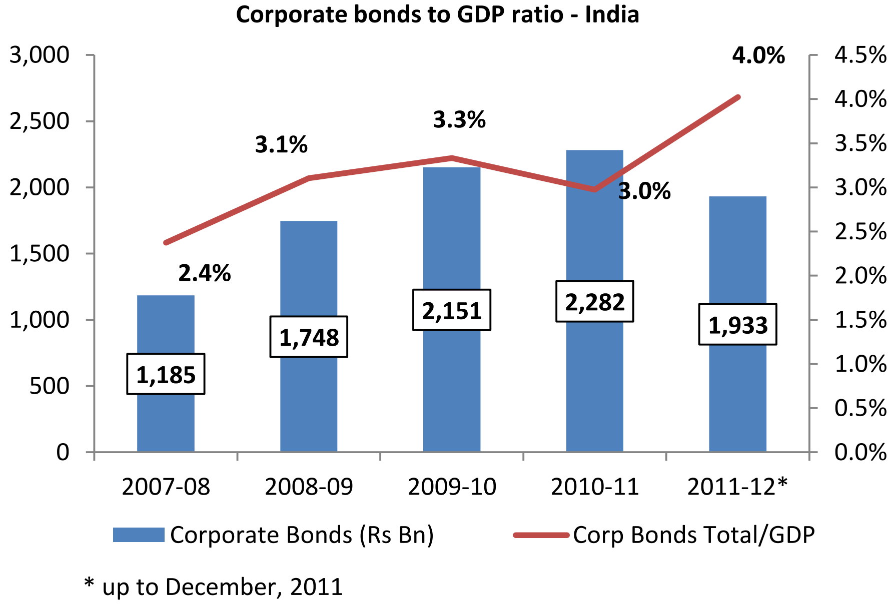
2. Corporate Sector

Rating agencies provide ratings for most kinds of short, medium and long term debt instruments, such as commercial paper, bonds, debentures, preference shares and structured debt instruments, bank loans and facilities, both fund-based and non fund-based, and deposit obligations, such as inter-corporate deposits, fixed deposits and certificates of deposits. The demand for funds from the corporate sector has witnessed an increase due to increase in capital investment, capacity creation and business growth leading to increasing working capital requirements.

The corporates can raise funds either by taking loans from banks, issuing bonds/debentures or commercial paper or by resorting to external commercial borrowing/ foreign currency convertible bonds. Corporates raising funds through bonds/debentures or commercial papers creates substantial demand for credit rating. The demand for ratings is influenced by choice of sources of funding which in turn depends on liquidity condition in the banking system, the condition of the capital market, prevailing interest rate and changes in currency expectations, etc.

Development of corporate debt market

India's corporate bond market (comprising public debt offers, debt private placements and commercial paper) is relatively small at 8.8% of GDP in comparison with the other markets. The growth of the corporate bond market is depicted in the graph below:



Source: Economic Survey 2010-11 and 2011-12, Reserve Bank of India and Ministry of Statistics and Programme Implementation.

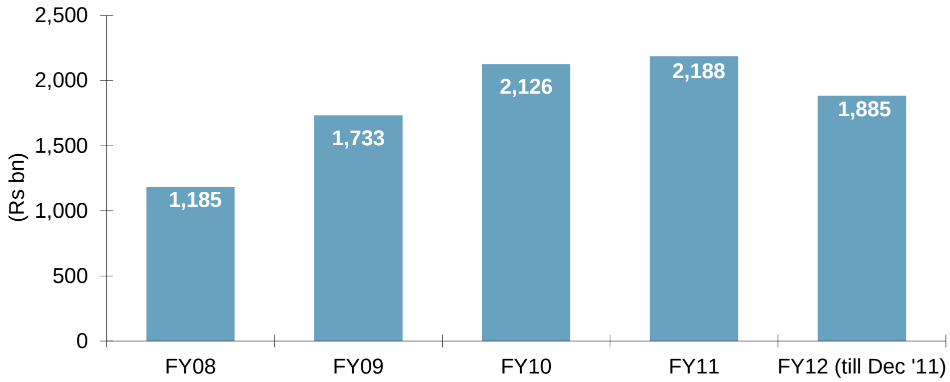
A study of the resource mobilization pattern in India over the last five years reveals that the share of debt in the overall resource mobilization was 98.8% in the financial year 2009 and was 95.2% % in the financial year 2012. A major part of the debt mobilization is through private placements.

Resource Mobilization through the Primary Market (in Rs. Crore)				
	2008-09	**2009-10**	**2010-11**	**2011-12***
1. Debt	1500	2500	9,451	4,791
2. Equity	2082	46,736	48,654	9,683
3. Private Placement	173,281	212,635	218,785	188,530
4. Euro Issues (ADR/GDR)	NA	NA	NA	NA
Total (1+2+3+4)	**176,863**	**261,871**	**276,890**	**203,005**

* As of December 31, 2011

Source: Economic Survey 2011-12

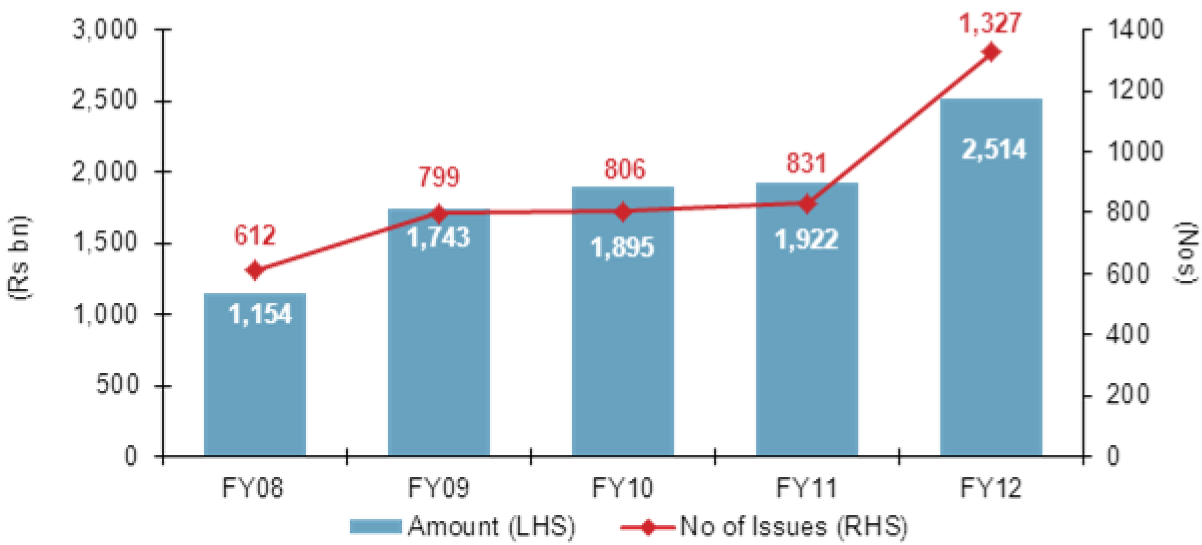
Private placement of corporate bonds listed on NSE and BSE



Source: Economic Survey 2011-12

The increase in the number of private placements has been driven by the relatively lower cost of private placements, lesser time required to conclude the transactions, comparatively lesser disclosure requirements and limited regulatory review.

The number of offers and the amount raised from the issue of corporate bonds during each financial year ended March 31, from 2008 to 2012, with a tenor or put/call options greater than one year is depicted in the graph below:



Source: Prime Database

A number of measures have been proposed or taken by government to develop the corporate bond market in India as enumerated below:

- Regulatory jurisdiction over corporate bond market has been clearly defined and placed under SEBI. SEBI (Issue and Listing of Debt Securities) Regulations, 2008 simplified disclosures and listing requirements. A minimum market lot criterion has been reduced from Rs. 10 lakhs to Rs. 1 lakh to encourage retail investors.

- The limit of FIIs investment in corporate bonds including infrastructure bonds has been increased to USD 45 billion from the existing limit of USD 40 billion.

- BSE, NSE and the Fixed Income Money Market and Derivatives Association of India have set up reporting platforms. Aggregate data reported on these platforms is disseminated to the public. Summary data is available on the website of SEBI. Repos in corporate bonds have been permitted, pursuant to RBI guidelines, since March 2010. Exchange traded interest rates futures were introduced in August 2009.

- Credit Default Swap ("**CDS**") Guidelines have been released by RBI in May, 2011.

- The Finance Act, 2008 (with effect from June 1, 2008) mandated that no TDS (tax deduction at source) would be made from any interest payable on any security issued by a company, where such security is issued in dematerialized form and is listed on a recognized stock exchange in India. The stamp duty on debentures and bonds in the nature of promissory note has been brought down and made uniform. Clearing and settlement through clearing corporations has been mandated for trades between specified entities namely mutual funds, foreign institutional investors, venture capital funds etc. Clearing and settlement is on Delivery versus Payment basis. *(Source: Economic Survey 2010-11)*

- Tax free bonds of Rs. 60,000 crore proposed to be allowed for financing infrastructure projects in financial year 2013 *(Source: Press Information Bureau, Government of India).*

- Qualified Foreign Investors (QFIs) have been permitted to access Indian Corporate Bond Market by SEBI in July 2012.

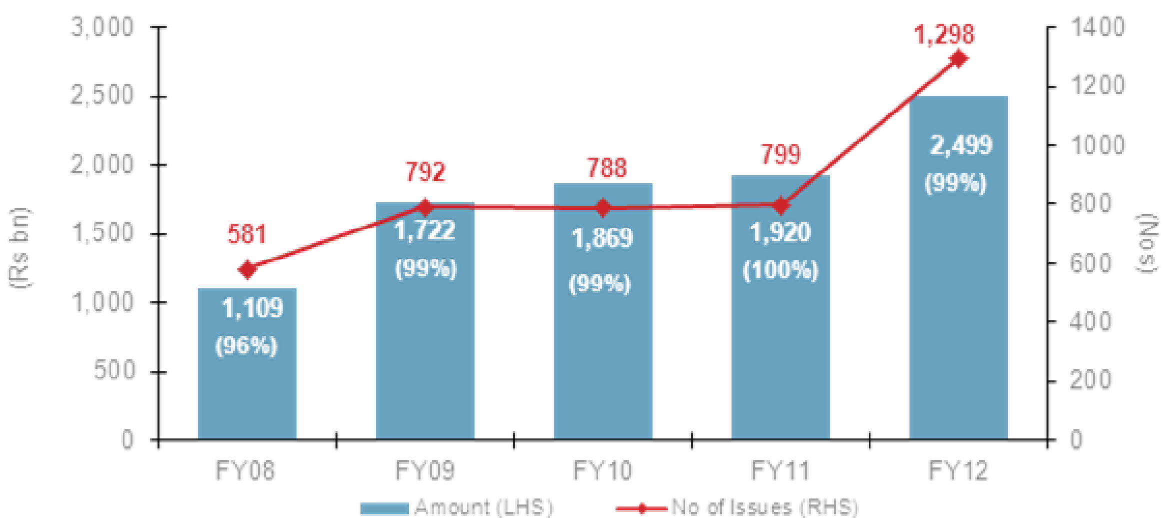
All these initiatives have resulted in increase in volume of debt issues by corporates over the years.

Penetration of ratings in the domestic bond market

Ratings over the years have achieved market penetration across various industries and companies. Rating for the non-regulated debt issuances stems from demands made by the investor community, comprising banks, mutual funds, and pension funds, which have restrictions on investment in unrated and unlisted bonds.

In the financial year 2012, of the total debt with tenor or put/call option of one year or above of Rs. 2,514,366.60 million that was placed privately, Rs. 2,499,014.10 million was credit rated. That is a credit rating penetration level of 99.4%. For the financial year 2011, the total privately placed debt was Rs. 1,922,252.70 million, of which the rated amount was Rs. 1,919,751.22 million, leading to a penetration level of 99.9%. (*Source: Prime Database*)

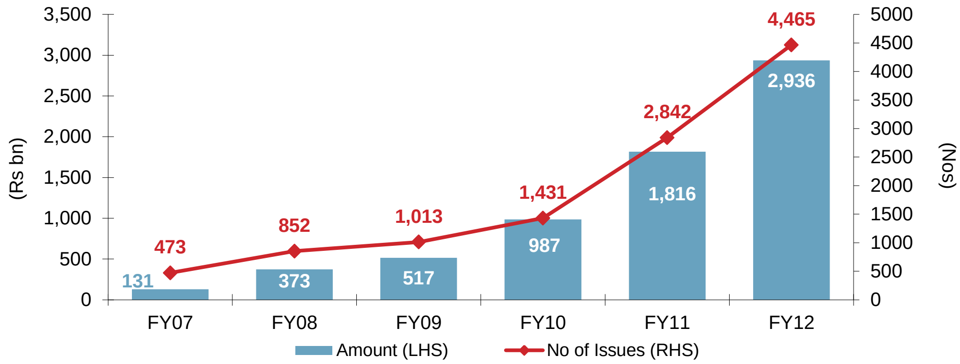
Of the bond issuances that were undertaken in each financial year ended March 31, from 2008 to 2012, the number of and amounts raised by, rated bond issuances is depicted in the graph below:



Note: Number in bracket indicates % rated based on amount raised
Source: Prime Database

Market Size

The rating industry in India has registered steady growth in the last three years. The amount raised by and the number of, commercial paper (which is required to be rated) that was issued through arrangers in each financial year from 2007 to 2012 is depicted in the graph below:



Source: Prime Database

3. Structured Finance Ratings

The structured finance segment comprises the asset backed securitization (ABS), mortgage backed securitization (MBS), collateralised debt obligations (CDO), partial guaranteed (PG) structures, future flow transactions (FFT) and loan sell offs (LSO).

Securitization is done for one or many of the following reasons:

- Better utilization of the available capital;
- Alternative funding;
- Cheaper source of funding especially for lower rated originators;
- Reducing credit concentration; and
- Risk management: interest rates and liquidity.

The investors in structured finance deals have so far been investing in highly rated pools, the markets for lower rated pools are yet to develop.

Non-mortgaged asset backed securitization dominate the overall market issuance in this sector. The share of mortgage backed securitization has been low due to investors' concerns on relatively longer tenure and higher complexity of structuring requirements to mitigate interest rate and prepayment risks.

RBI has from time to time introduced stringent guidelines for securitization which has impacted the securitization market and there has been a decrease in the number of privately placed securitized instruments. However, direct assignment or bilateral deals have increased. Increasingly securitization is being used to finance retail assets which have shown a healthy growth in recent years. It also helps financiers to manage capital adequacy, balance sheet exposure and liquidity and asset liability management related risks besides providing an alternate source of funding.

4. Public Finance

Public finance rating revenues have largely been through ratings/assessments of local body borrowings (either standalone, credit enhanced by own resource structures, or pooled financing), state level entity borrowings (excluding power which is covered under infrastructure) and state guaranteed borrowings.

While the local body sector has seen some issuances, a large portion of debt issuance in the past has been from state supported borrowings. However, the downgrading of some of these bonds coupled with a steady decline in bond ratings by state supported entities has affected issuance of fresh bonds by them.

Organizations where the Central or a State Government or a Government organization holds a majority stake have been tapping the markets directly through rated debt. In the financial year 2012, 312 of the 1,327 issues (24%) were made by the government sector which mobilised 77% of the total amount of debt privately placed. However, most states and local bodies in the country currently have relatively weak standalone credit quality, which limits fresh issuance of debt instruments to a few better credit quality states.

5. Micro, Small and Medium Enterprises (MSMEs)

Worldwide, MSMEs have been accepted as an engine for economic growth and for promoting equitable development. The principal advantage of this sector is that its employment potential is at a low capital cost. The labour intensiveness of the MSME sector is much higher than that of large enterprises. In India, the MSMEs play a pivotal role in the overall industrial economy of the country. In recent years the MSME sector has consistently registered higher growth rate compared to the overall industrial sector. The sector has shown innovativeness and adaptability to survive the recent economic slowdown and compete successfully with foreign companies in export and overseas market.

As per available statistics (4th Census of MSME Sector), this sector employed an estimated 59.7 million people spread over 26.1 million enterprises during the financial year 2007. During the financial year 2011, it is projected that this sector employed 73.2 million people spread over 31.1 million enterprises. It is estimated that in terms of value, MSME sector accounts for approximately 45% of the manufacturing output and approximately 40% of the total export of the country. *Source: Annual report of the Ministry of Micro, Small and Medium Enterprises for the year 2011-12.*

The National Small Industries Corporation Limited (NSIC) was established by the Government of India as a public sector company in 1955. The main functions of the NSIC are to promote, aid and foster the growth of MSMEs in the country on a commercial basis. The NSIC provides a variety of support services to MSMEs catering to their requirements in the areas of raw material procurement, product marketing, credit rating, acquisition of technologies and the adoption of modern management practices amongst others. *Source: Annual report of the Ministry of Micro, Small and Medium Enterprises for the year 2010 -11.*

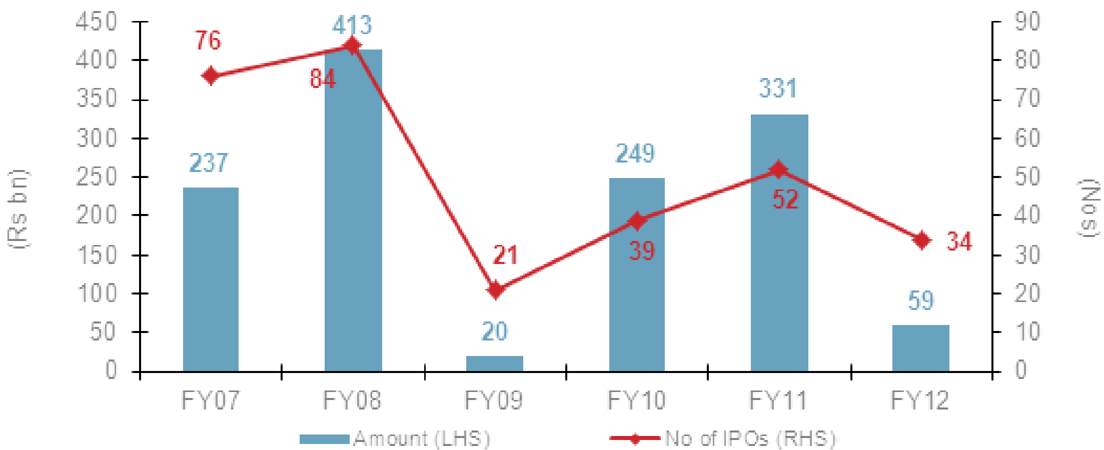
On behalf of the Ministry of Micro, Small and Medium Enterprises (Government of India), NSIC is implementing the "Performance & Credit Rating Scheme" for micro and small enterprises (MSEs). The scheme is being operated through seven accredited rating agencies i.e. CARE, CRISIL, FITCH, ICRA, ONICRA, Dun & Bradstreet, SMERA and Brickwork Rating. The fee to be paid by the MSEs for the rating is subsidized by the Government to the extent of 75% of the rating fee up to a maximum of Rs. 40,000 for the first year of rating. The scheme has become quite popular and has been receiving a good response from the MSEs. During the financial year 2011, a total of 10,327 units were rated under this scheme, and during the financial year 2012, up to December 31, 2011, 8,495 units were rated. The rating serves as a trusted third party opinion on the unit's performance capabilities and credit worthiness. A good rating enhances the acceptability of the rated unit in the market and also enables it to access cheaper credit, faster. The scheme is gradually becoming popular and it appears that more units are coming forward to have themselves rated. *Source: Annual report of the Ministry of Micro, Small and Medium Enterprises for the year 2011-12.*

6. IPO Grading

In an effort to improve investor protection through better transparency and disclosure by entities tapping the capital markets for funds, SEBI has been encouraging an independent assessment of initial public offerings of equity issuers since 2006. SEBI has mandated IPO grading under the SEBI Regulations since 2009. In terms of the SEBI Regulations, no company shall make an initial public offer, unless it has obtained grading for the initial public offer from at least one credit rating agency registered with SEBI. The IPO grading and the details thereof must be disclosed in the prospectus and the red herring prospectus issued by the company in connection with the IPO. This has provided growth opportunity for domestic ratings agencies. However there is no certainty when primary markets for initial public offerings will recover or grow significantly in India; therefore the grading of IPOs is not expected to contribute significantly to the business of rating agencies in the near term.

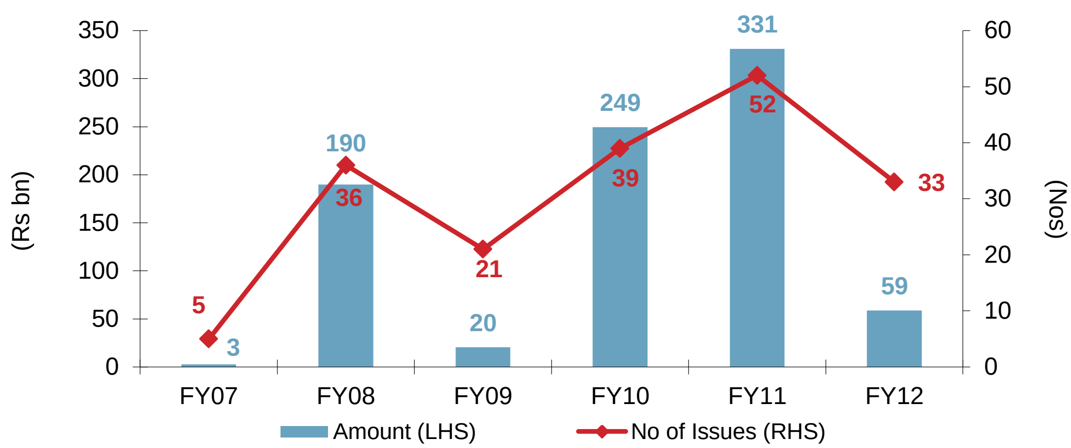
Its long term potential will be contingent on the growth of the market in India for IPOs. The amount raised from IPOs increased from Rs. 249,483.07 million in the financial year ended March 31, 2010 to Rs. 330,977.69 million in the financial year ended March 31, 2011, but declined to Rs. 58,929.16 million in the financial year ended March 31, 2012 due to subdued capital market activity in India. *Source: Prime Database*

The amount raised from IPOs in each financial year ended March 31, from 2007 to 2012 is depicted in the graph below:



Source: Prime Database

Of the IPOs that were undertaken over this period, the number of and amounts raised by, graded IPOs is depicted in the graph below:



Note: This graph includes refunded issues
Source: Prime Database

The IPOs that have been rated have often been rated by multiple credit rating agencies and have been distributed amongst the credit rating agencies as follows (the rating of an IPO by multiple rating agencies results in the aggregate of the market share for certain financial years exceeding 100%):

Name of the credit rating agency	Share* (%)				
	Financial Year				
	FY08	**FY09**	**FY10**	**FY11**	**FY12**
CARE	10.5%	27.0%	24.6%	74.3%	49.4%
CRISIL	72.3%	15.4%	29.6%	63.5%	32.9%
ICRA	65.2%	16.8%	43.1%	61.4%	52.4%
FITCH	5.7%	40.8%	5.8%	1.4%	3.4%
BRICKWORK	-	-	1.1%	1.3%	1.7%

**% of issue amount*
Source: Prime Database

OUR BUSINESS

Overview

We are a leading, full service credit rating company in India, and for the year ended March 31, 2012, we were the second largest rating company in India in terms of rating turnover. We offer a wide range of rating and grading services across a diverse range of instruments and industries. We also provide general and customized industry research reports. Since incorporation in April 1993, we have completed 19,058 rating assignments and have rated Rs. 44,036.03 billion of debt as of September 30, 2012. We had rating relationships with 4,644 clients as of September 30, 2012. Our existing shareholders include domestic banks and financial institutions, such as IDBI Bank, Canara Bank, SBI and IL&FS, among others. For details, see "Capital Structure - Shareholders holding more than 1% of the pre-Offer paid up share capital of our Company" on page 64 of this Prospectus.

We operate as a professionally managed company with a Board of Directors comprising a majority of independent directors. We have an internal rating committee comprising senior executives from our Company and an external rating committee, which comprises a majority of independent members. Our rating committees are the final authorities for assigning ratings on behalf of our Company. We strive for the following values:

- *Integrity and transparency*: A commitment to be ethical, sincere and transparent in our dealings;
- *Pursuit of excellence*: A commitment to strive relentlessly to constantly improve ourselves;
- *Fairness*: Treat clients, employees and other stakeholders fairly;
- *Independence*: We take pride in our independence, are unbiased and fearless in expressing our opinion; and
- *Thoroughness*: We endeavor to do rigorous analysis using advanced techniques of research on every assignment that we undertake.

Our primary focus has been to provide credit rating services in India. We have over 19 years of experience in rating debt instruments and related obligations covering a wide range of sectors, such as manufacturing, services, banks and infrastructure. Our list of clients includes banks and other financial institutions, private sector companies, central public sector undertakings, sub-sovereign entities, small and medium enterprises ("**SMEs**") and micro-finance institutions, among others. We believe we are well equipped to rate most kinds of short, medium and long-term debt instruments, such as commercial paper, bonds, debentures, preference shares and structured debt instruments; bank loans and facilities, both fund-based and non fund-based; and deposit obligations, such as inter-corporate deposits, fixed deposits and certificates of deposit. We also provide issuer ratings and corporate governance ratings and have rated innovative debt instruments, such as perpetual bonds.

We are recognized by the Capital Markets Development Authority, Republic of Maldives to carry out ratings of debt instruments and bank loans and facilities in respect of Maldivian companies, through our office in the Republic of Maldives, and we are focused on expanding our ratings business in other countries, including Nepal and Mauritius, where we intend to provide rating services through joint ventures in the future. We have also been recognized by Bank of Mauritius for using our ratings for risk weighting of bank claims on corporates for capital adequacy purposes. We have also been granted indirect recognition by the Hong Kong Monetary Authority as an external credit assessment institution for the purposes of the regulatory capital framework in Hong Kong. Authorized institutions incorporated in Hong Kong are now permitted to use a rating by us for determining the capital requirements for credit exposure to Indian corporates. We are exploring opportunities to provide risk management solutions and training in risk management practices to banks and financial institutions in Nigeria pursuant to an exclusive memorandum of understanding with Riskmap Consulting Limited, a Nigerian risk management consulting company.

We have entered into a non-binding memorandum of understanding with four credit rating agencies, each located in Brazil, Portugal, Malaysia and South Africa, to establish an international credit rating agency, which would provide international scale ratings to assist local issuers in mobilizing resources from international financial markets. We have received a no objection letter from SEBI to enter into a joint venture for the establishment of an international credit rating agency, subject to satisfaction of certain conditions mentioned therein. For further details, see “Government and Other Approvals – Approvals in relation to the business of our Company in India – Others” and “Government and Other Approvals – Approvals in relation to the business of our Company in India – Approvals to be applied for by our Company” on pages 230 and 231 of this Prospectus. In addition, we provided technical assistance to a rating agency in Mexico and we provide technical assistance to Summa Ratings S.A., Ecuador with respect to providing credit ratings, among other services.

We also have experience in providing specialized grading services, including IPO grading, equity grading, and grading of various types of enterprises, including ESCO, RESCO, shipyards, maritime training institutes, construction companies and rating of real estate projects, among others. We are the leading credit rating agency in India for IPO grading, having graded the largest number of IPOs since the introduction of IPO grading in India. Some of our grading services have been formulated pursuant to a statutory or regulatory regime applicable to the particular sector, such as the ESCO grading under accreditation by the Bureau of Energy Efficiency and the RESCO grading under the aegis of the Ministry of New and Renewable Energy.

Our research team primarily provides in-house research to our ratings team in the form of in-depth research on various sectors. We periodically publish industry research reports covering 39 sectors as of September 30, 2012, have published one-time industry research reports covering three sectors and also publish risk scores reports, called CARE Industry Risk Metrics, covering 109 sectors as of September 30, 2012, which are available on a subscription basis. We also provide customized research covering key areas, such as market sizing, demand estimation, demand supply gap analysis, cost benefit analysis, product segmentation, business analysis and cost indexation, among others, upon request by our clients. We also prepare industry overviews for clients in relation to their capital markets offerings.

Our economics team produces economic research that includes a daily debt market report, a monthly debt market review, budget analysis, other policy impact analysis, special commentaries on topical issues and studies and surveys on the Indian economy. We also analyze global economic developments. These reports are widely circulated to our clients, regulators, banks, mutual funds, government officials and the media. The reports are also available on our website http://www.careratings.com. Our economics team published a research report on the Indian economy in April 2011 for the Ministry of Finance, Government of India.

We are registered with SEBI as a credit rating agency under the CRA Regulations. We are recognized by RBI as an eligible credit rating agency whose ratings may be used by banks for assigning risk weights for credit risk for the implementation of Basel II in India. We are also recognized by RBI for rating fixed deposits of NBFCs and commercial paper and by other statutory authorities and agencies in India for rating and grading services, such as the Ministry of Petroleum and Natural Gas (for LPG/SKO ratings), the Ministry of Defence (for shipyard grading), Directorate General of Shipping (for maritime training institutes grading) and the National Small Industries Corporation Limited (the “**NSIC**”) (for MSE ratings), among others.

We have received ISO 9001:2008 quality management certifications for our head office in Mumbai and six branch offices for the credit rating of debt instruments and facilities, for research services at our head office in Mumbai and for data processing at the CARE Knowledge Centre in Ahmedabad. For details, see “Government and Other Approvals – Approvals in relation to the business of our Company” on page 229 of this Prospectus. We believe that we follow best practices for our industry and adhere to the code of conduct set out by the International Organization of Securities Commissions (“**IOSCO**”) and the Association of Credit Rating Agencies in Asia.

In November 2011, we acquired a 75.1% equity interest in Kalypto, a firm providing risk management software solutions. Pursuant to this acquisition, Kalypto has become a subsidiary of our Company. For details, see “Our Subsidiary” on page 121 of this Prospectus.

Our business has grown consistently since incorporation in 1993, and we have been profitable and paid dividends every year since our first full year of operations. Our unconsolidated total income has increased from Rs. 549.11 million for the financial year 2008 to Rs. 2,171.93 million for the financial year 2012 at a CAGR of 41% during such period; and our unconsolidated total income was Rs. 1,025.38 million for the six months ended September 30, 2012. Our unconsolidated profit after tax has increased from Rs. 266.85 million for the financial year 2008 to Rs. 1,157.02 million for the financial year 2012 at a CAGR of 44.3% during such period, and our unconsolidated profit after tax was Rs. 500.49 million for the six months ended September 30, 2012. Our unconsolidated profit after tax margin was 51.1% and 53.3% for the financial years 2011 and 2012, respectively; our consolidated total income for the financial year 2012 and for the six months ended September 30, 2012, was Rs. 2,187.95 million and Rs. 1,039.74 million, respectively; our consolidated profit after tax for the financial year 2012 and for the six months ended September 30, 2012 was Rs. 1,157.69 million and Rs. 497.75 million, respectively; and our consolidated profit after tax margin was 52.9% and 47.9% for the financial year 2012 and the six months ended September 30, 2012, respectively.

Our Competitive Strengths

Established presence in rating debt instruments and bank loans and facilities

We have over 19 years of experience in rating debt instruments and related obligations covering a wide range of sectors, and as of September 30, 2012, we had rating relationships with 4,644 clients. We believe we are well equipped to rate most kinds of short, medium and long-term debt instruments, such as commercial paper, bonds, debentures, preference shares and structured debt instruments; bank loans and facilities, both fund-based and non fund-based; and deposit obligations, such as inter-corporate deposits, fixed deposits and certificates of deposit. The experience and knowledge that we have gained over the years, along with our planning and execution strategies, enable us to retain our current client base and explore new opportunities that emerge in the industry.

Our main rating product is rating of debt instruments and bank loans and facilities, which provides us with higher volumes than other products. We have a significant rating coverage of Indian banks and financial institutions.

We have achieved steady growth in our ratings business. The total number of debt instruments we rated increased from 3,934 as of March 31, 2008 to 14,524 as of March 31, 2012, at a CAGR of 38.6% during such period. The total number of debt instruments we rated as of September 30, 2012 was 17,237. The volume of debt rated by us increased from Rs. 4,325.84 billion as of March 31, 2008 to Rs. 9,268.61 billion as of March 31, 2012, at a CAGR of 21.0% during such period. The volume of debt rated by us as of September 30, 2012 was Rs. 3,571.20 billion. We believe that we enjoy a strong market position with respect to undertaking ratings of most types of debt instruments and bank loans and facilities.

Domain experience across a range of sectors

We have rated debt instruments covering a diverse range of sectors, such as manufacturing, services, banks and infrastructure. We also have experience in providing debt and issuer ratings to many types of enterprises, including corporates, banks, financial institutions, public sector undertakings, state government undertakings, sub-sovereign entities, NBFCs, SMEs and micro-finance institutions.

We believe that we are able to cover a range of sectors because our ratings business is supported by a strong team of skilled analysts and support staff. Our analysts are predominantly post-graduate professionals, such as MBAs and other finance professionals with engineering or economics backgrounds, as well as chartered accountants, economists and chartered financial analysts.

Our research team provides in-house support to our ratings team in the form of in-depth industry knowledge over a range of sectors. Our research team comprises analysts having varied experience across sectors. We believe our ability to provide rating services across a diverse range of sectors is on account of our 19 years of rating experience, backed by the in-depth sectoral knowledge gained by our research team over the years. We further believe that our domain expertise is strengthened on account of our knowledge management systems.

Strong rating credibility and brand presence

We believe that our brand represents a high level of rating credibility, as our ratings display high ordinality. In order for ratings to be used as a reliable indicator of credit risk, we believe that it is critical for a rating agency to demonstrate, over a period of time, strong correlation between the actual performance of the rating it assigns and what the rating itself conveys. Since 2007, we have published default and transition studies evaluating the performance of our ratings, with our most recent default and transition study published in 2012 covering the nine year period from March 31, 2003 to March 31, 2012. We believe that the ratings assigned by us show that a higher category of rating demonstrates a relatively lower likelihood of default and a higher degree of stability.

We believe that the reliability of our ratings is underpinned by the established rating procedures that our analysts use and the quality control systems and procedures employed by a separate quality control department. Our quality control department ensures that robust quality checks are in place for all ratings and that we are in compliance with the applicable laws in India, including the CRA Regulations. We follow a standardized and comprehensive rating process, which is also subject to operational audits as prescribed by SEBI. In addition, we have an internal rating committee comprising senior executives from our Company and an external rating committee comprising a majority of independent members. Our rating committees are the final authorities for assigning ratings on behalf of our Company.

We believe that we have strong brand recognition and credibility in the ratings market, gained through years of experience in the ratings business. The credibility of our ratings is also reflected in the fact that we have received certifications and accreditations from various regulatory bodies and entities. For details, see "-Registrations, Recognitions and Accreditations" on page 112 of this Prospectus.

Strong origination capabilities and relationship management

We have a strong and widespread business development team across multiple cities in India. Our list of clients includes banks and other financial institutions, private sector companies, central public sector undertakings, sub-sovereign entities, SMEs and micro-finance institutions, among others. We had ratings relationships with 4,644 clients as of September 30, 2012. Our origination capabilities are further supported by our business development teams, which collate the ideas and views of various market participants, regulators and policy makers and pass them on to the product development team for further study and implementation. We believe that we have a stable and esteemed core client base representing most of the major Indian industrial groups, banks and conglomerates. Further, we believe that our strong brand and 19 years of experience in the ratings business enables us not only to obtain repeat business from our existing clients, but to source new business as well.

To support growth in our client base and investor awareness, we have undertaken several marketing initiatives, including the sponsorship of, or participation in, industry events through associations with CNBC TV18 (The CFO Awards 2011-2012); the Confederation of Indian Industry (Finance and Investment Summit 2012 and CFO Summit 2011); Kotak Institutional Equities (BFSI Opportunities 2012); the Central Bank of India (seminars on entrepreneurship and bank credit for SMEs held in various states in India during 2011; Business India (Best Bank 2011); the Siliconindia CFO Summit held in Mumbai and Delhi in 2011 and the Federation of Automobile Dealers Association (FADA Auto Monitor ADEA Awards 2011). We were the knowledge partner of the Global Steel Conference 2012, and also organized a conference in Maldives in 2011 titled "A Developmental Perspective and the Role of Capital Markets".

In addition, we participated in various seminars and events, such as the ASSOCHAM Annual Summit 2012 on Financial Markets; the 2012 Global Investor Conference (organized by Kotak Institutional Equities); the 2012 Gujarat SME Manufacturing Summit organized by SME Chamber of India; the 2012 round-table discussion on the "Importance of Rating for Countries and Companies in Africa" organized by Theodor-Huess Academie and the Freidrich-Naumann-Stiftun Foundation, Gummersbach, along with the African Forum, in Germany; the Economic Times Real Estate Investment Forum and Business Spaces in 2011; the Finance Continuum 2011 conference organized by Financial Express and the Shailesh J. Mehta School of Management (SJMSOM) IIT, Mumbai.

We also hold programs along with the Institute of Company Secretaries of India for SMEs, and we have organized and hosted the CARE Ratings Banking Summit in October 2012, a panel discussion on the Union Budget 2012 - 2013 in March 2012 in Delhi, the Seminar on "Credit Default Swaps: Concepts and Prospects" in 2011 and the CARE Debt Market Summit in December 2010 as part of our drive to stimulate debate on these subjects and raise awareness of our capabilities. Further, we have entered into a memorandum of understanding with Network18 Media and Investments Limited, pursuant to which we will provide ranking of the top 500 manufacturing companies of India for the 15th anniversary issue of SEARCH, an industrial sourcebook covering general engineering and manufacturing.

Experienced management

We have an experienced Board of Directors and key managerial personnel. O.V. Bundellu, our non-executive Chairman, was the Deputy Managing Director of IDBI Bank and has over 38 years of experience in commercial banking and development banking. D.R. Dogra, our Managing Director and Chief Executive Officer, has over 34 years of experience in the financial sector and in credit administration. In addition, Rajesh Mokashi, our Deputy Managing Director, has over 27 years of experience in finance, commerce and credit risk assessment. D.R. Dogra and Rajesh Mokashi have been associated with our Company since 1993, the year of incorporation.

Our key managerial personnel come from diverse backgrounds, including leading commercial banks and finance companies, and hold formal qualifications in varied disciplines, including finance, management, accountancy and economics. We have two chief general managers, each having over 23 years of experience in our Company, and our ten general managers on average have over 19 years of experience. Several of our general managers have been with our Company for over ten years.

Strong financial position and profitability

Since incorporation in April 1993, we have completed 19,058 rating assignments and have rated Rs. 44,036.03 billion of debt as of September 30, 2012. We had ratings relationships with 4,644 clients as of September 30, 2012. The volume of debt rated by us increased from Rs. 4,325.84 billion as of March 31, 2008 to Rs. 9,268.61 billion as of March 31, 2012, at a CAGR of 21.0% during such period. As the rating of any debt instrument or bank loan or facility which is accepted and used by the client must remain under surveillance until the entire debt is repaid, we continue to charge surveillance fees over the lifetime of the debt, which provides us with annuitized revenue.

Our total income and profit after tax have also continued to grow. Our unconsolidated total income has increased from Rs. 549.11 million for the financial year 2008 to Rs. 2,171.93 million for the financial year 2012, at a CAGR of 41.0% during such period. Our consolidated total income was Rs. 2,187.95 million and Rs. 1,039.74 million, respectively, for the financial year 2012 and the six months ended September 30, 2012. Our unconsolidated profit after tax has increased from Rs. 266.85 million for the financial year 2008 to Rs. 1,157.02 million for the financial year 2012, at a CAGR of 44.3% during such period, and our consolidated profit after tax was Rs. 1,157.69 million and Rs. 497.75 million, respectively, for the financial year 2012 and the six months ended September 30, 2012. For the financial years 2010, 2011 and 2012, our unconsolidated profit after tax margin was 56.4%, 51.1% and 53.3%, respectively; and for the financial year 2012 and the six months ended September 30, 2012, our consolidated profit after tax margin was 52.9% and 47.9%, respectively. Our unconsolidated earnings (including other income) before interest, taxes, depreciation and amortization ("**EBITDA**") margin on unconsolidated total revenue was 81.3%, 76.4% and 75.3%, respectively, for the financial years 2010, 2011 and 2012; and our EBITDA margin on consolidated total revenue was 74.9% and 69.0%, respectively, for the financial year 2012 and the six months ended September 30, 2012. Our unconsolidated return on equity was 40.1%, 29.9% and 30.7%, respectively, for the financial years 2010, 2011 and 2012; and our consolidated return on equity was 30.7% and 11.7% (not annualized), respectively, for the financial year 2012 and the six months ended September 30, 2012.

We have maintained a highly liquid, strong net worth position, with no debt on a consolidated basis as of September 30, 2012. Our unconsolidated total net worth has steadily increased from Rs. 832.64 million as of March 31, 2008 to Rs. 3,767.70 million as of March 31, 2012. We have paid dividends each year since our first full year of operations.

For the financial year 2012 and for the six months ended September 30, 2012, on an unconsolidated basis, our average revenue from operations per employee was Rs. 3.78 million and Rs. 1.73 million (not annualized), respectively, and our average operating profit per employee basis was Rs. 2.71 million and Rs. 1.14 million (not annualized), respectively.

Our Growth Strategy

We believe that adapting to market changes is a key factor in growing our business, and we continually monitor opportunities to grow our revenue base. In support of these goals, we intend to continue to focus in the following areas:

Increase market share in our core business

We intend to continue to focus on our core debt instrument and bank loan and facility ratings business, which we believe provides further growth opportunities through the acquisition of new clients and retention of existing clients. To increase our market share, we intend to continue to provide high quality service and improve our brand visibility and penetration through wider marketing initiatives. In order to focus and deepen each ratings segment, we have specific marketing teams spread across the country who engage with potential clients. For example, with respect to large and mid-size corporates, our marketing teams engage with the CFO community through various events and sponsorships, such as the Siliconindia CFO Summit held in Delhi and Mumbai in 2011, and with respect to MSEs, we work with local associations and industry bodies to create awareness. We are also working to strengthen our media relationships with an aim to be called upon to provide views and analysis on specific industries and related economic issues. We also intend to widen our distribution reach and network by expanding our office network.

Continue to grow our product portfolio

We continuously endeavor to respond to the demand from our clients and changes in regulations to offer new and innovative products in order to increase business from our existing clients, acquire new clients and capitalize on new opportunities in the market. We intend to continue to organize or participate in conferences and seminars regarding new product segments.

We continuously look to expand our income generating pool of products, such as the following:

- *SME rating*, a one-time assessment of the credit risk of the rated SME entity in comparison with other SMEs;
- *MSE rating*, in partnership with the NSIC, a one-time credit rating for small scale industries;
- *Edu-grade*, an assessment of the effectiveness of inputs and processes provided by an educational institution in achieving the objectives of the course;
- *Equi-grade*, equity research involving the assessment of the fundamental quality of the company and the valuation of its equity shares;
- *Real Estate – Project Star Rating*, an assessment of the ability of the developer to construct the real estate project with the agreed quality standards; and
- *Market linked debenture valuation*, valuation of debt and option portions of debentures issue by various financial entities.

As part of our efforts to grow our pool of products, we have entered into memoranda of understanding with several banks to offer set incentive rates for their MSME borrowers to obtain a credit rating from us, and we have entered into a memorandum of understanding with Arthveda Fund Management Private Limited to rate some of the real estate projects in tier II and tier III cities across India in which its real estate fund invests.

We intend to continuously identify and introduce new products in order to diversify and de-risk our business profile and provide potential for further growth.

Expand into new markets

We have expanded our footprint outside of India in our ratings business, as well as in the provision of technical services to other rating agencies. We are recognized by the Capital Markets Development Authority, Republic of Maldives to carry out ratings of debt instruments and bank loans and facilities in respect of Maldivian companies through our office in the Republic of Maldives. We have completed two rating assignments in Republic of Maldives and propose to rate Rufiyaa denominated debt of Maldivian companies and Maldivian subsidiaries of multinational companies. We have also been granted indirect recognition by the Hong Kong Monetary Authority as an external credit assessment institution for the purposes of the regulatory capital framework in Hong Kong.

We provided technical assistance to HR Ratings De Mexico S.A. DE C.V. in Mexico, and in order to explore opportunities in Latin America, we provide technical assistance to Summa Ratings S.A., Ecuador with respect to providing credit ratings, among other services. We are exploring opportunities to provide risk management solutions and training in risk management practices to banks and financial institutions in Nigeria pursuant to an exclusive memorandum of understanding with Riskmap Consulting Limited, a Nigerian risk management consulting company.

We are focused on expanding our ratings business in other countries, including Nepal and Mauritius, where we intend to provide ratings services through joint ventures in the future. In addition, we have entered into a non-binding memorandum of understanding with four credit rating agencies, each located in Brazil, Portugal, Malaysia and South Africa, to establish an international credit rating agency, which would operate as an independent and supra-sovereign rating agency and provide international scale ratings to assist local issuers in mobilizing resources from international financial markets. We believe these efforts will allow us to extend our rating and research services businesses to local and regional borrowers through ratings of domestic currency debt instruments and providing research services in such markets.

We believe that our experience and knowledge in India favorably positions us to continue to explore opportunities in other developing markets, either directly, through joint ventures and partnerships, or by acquisition. Further, we may explore opportunities to open offices in other cities in India.

Further develop our research business and expand into other business segments

Our primary business segment currently is rating services. Our research team primarily provides in-house research to our ratings team in the form of in-depth research on various sectors. We periodically publish industry research reports covering 39 sectors as of September 30, 2012, have published one-time industry research reports covering three sectors and also publish industry risk scores reports covering 109 sectors, as of September 30, 2012, which are available on a subscription basis. We prepare industry overviews for clients in relation to their capital markets offerings.

We intend to grow our research business by increasing the number of subscribers to our research offerings and continuing to expand our research coverage. We are actively targeting financial intermediaries, corporates, analysts and policy makers to market our research products and increase awareness of our research reports and capabilities. To that end, we periodically publish impact analysis notes on policy announcements and articles on new developments in industry sectors. In addition, we publish periodic reports on various facets of the economy, studies on specific subjects and economic surveys prepared by our economics department to clients, regulators, banks, mutual funds and government officials. In addition, to further support our research business, we launched the CARE Online Reports Distribution System in the financial year 2010 where research reports can be conveniently purchased and viewed by subscribers online.

We also intend to capitalize on our strong brand recognition to expand, organically and by acquisition, into new business segments, such as providing training, knowledge process outsourcing, risk management and other support services to rating agencies and other financial institutions. For instance, in November 2011, we acquired a 75.1% equity interest in Kalypto, a company providing risk management software solutions with a focus on enterprise risk management for banking, insurance and other financial institutions. We believe this acquisition will result in diversification of our revenue streams by enhancing our product offerings. In addition, subject to receipt of requisite regulatory approvals, we may provide advisory services in or outside India through a subsidiary or a joint venture. In addition, we have entered into agreements with certain educational institutions in India with the intent to establish joint educational programs on credit risk analysis and assessment.

Focus on operational efficiency

Our volume of rating assignments has increased as we expand our ratings coverage, which has driven the need for operational efficiency. Further, we are focusing on building up our ratings business in segments that have relatively low margins, but higher volumes, such as the MSME segment. Generally, such entities operate in clusters and are characterized by nascent systems and information databases. We have customized our methodology and our analytical systems to cater to these segments.

Increasing our operational efficiency entails increased use of technology. Our analysts use an integrated information interface, which helps to improve productivity by mapping, documenting and continuously updating our knowledge base to ensure efficient production and delivery of our products.

In addition, we conduct all of our back-office operations at one central location in Ahmedabad, which has lowered our operational costs. Accessibility of relevant and updated information to our rating team through our knowledge portal on our intranet has also helped us to increase our productivity. We also intend to continue to improve employee productivity through training and technology. On an ongoing basis, our analysts participate in seminars conducted by internal and external experts on various topics.

Description of Our Business

We are primarily engaged in the business of providing rating services. We also provide research services and risk management solutions (through our Subsidiary). We are expanding our footprint internationally to provide rating services in other countries and technological assistance services to other rating agencies located outside of India. The following table sets out our key operational highlights for the periods indicated:

	During the financial year ended March 31,				During the six months ended September 30,
	2009	2010	2011	2012	2012
Total new assignments completed	1,579	1,808	2,187	5,980	3,237
Total debt instruments cumulatively rated (up to the year ended March 31 / six months ended September 30)	5,452	7,206	9,225	14,524	17,237
Total volume of debt rated (Rs. in Billions)	5,910.66	6,527.00	8,068.78	9,268.61	3,571.20
Total industry research reports completed	58	134	167	205	136
Total economic research reports completed*	11	19	60	73	39

* Excludes the Daily Debt Market Update, which is published four days a week from Tuesday to Friday, and the Debt Market Review, which is published monthly.

A detailed description of our business operations is set forth below.

Rating Services

We believe that credit risk is perhaps the most critical risk that debt market investors and lenders are exposed to on a day-to-day basis. To address this risk, we provide independent credit ratings on various debt instruments and bank loans and facilities in the debt markets, and in certain cases, on entities issuing such instruments or availing such loans and facilities. Our credit rating is an opinion with respect to the relative ability and willingness of the concerned entity to make timely payments on specific debt or related obligations with reference to the instrument or the client rated. The principal users of credit ratings are investors and lenders.

Our rating products cover a wide range of services, instruments and sectors, such as rating of debt instruments, bank loans and facilities and related obligations covering a wide range of sectors, such as manufacturing, services, banks and infrastructure. Our list of clients includes banks and other financial institutions, private sector companies, central public sector undertakings, sub-sovereign entities, SMEs and micro-finance institutions, among others. We believe we are well equipped to rate most kinds of short, medium and long-term debt instruments, such as commercial paper, bonds, debentures, preference shares and structured debt instruments; bank loans and facilities, both fund-based and non fund-based; and deposit obligations, such as inter-corporate deposits, fixed deposits and certificates of deposit. We also provide issuer ratings and corporate governance ratings and have rated innovative debt instruments, such as perpetual bonds.

The following table sets out the number of debt instruments and bank loan and facility assignments completed and volume of debt rated during the periods indicated:

	For the financial year ended March 31,								For the six months ended	
	2009		2010		2011		2012		September 30, 2012	
Instrument	**Assignments completed**	**Volume of Debt (Rs. in millions)**	**Assignments completed**	**Volume of Debt (Rs. in millions)**	**Assignments completed**	**Volume of Debt (Rs. in millions)**	**Assignments completed**	**Volume of Debt (Rs. In millions)**	**Assignments completed**	**Volume of Debt (Rs. In millions)**
Bank Facilities (Basel II)	1,148	3,889,480	1,250	3,546,570	1,654	5,198,620	4,883	6,788,206	2,575	2,011,980

	For the financial year ended March 31,								For the six months ended	
	2009		2010		2011		2012		September 30, 2012	
Instrument	Assignments completed	Volume of Debt (Rs. in millions)	Assignments completed	Volume of Debt (Rs. in millions)	Assignments completed	Volume of Debt (Rs. in millions)	Assignments completed	Volume of Debt (Rs. In millions)	Assignments completed	Volume of Debt (Rs. In millions)
Bank Facilities (Basel II)	1,148	3,889,480	1,250	3,546,570	1,654	5,198,620	4,883	6,788,206	2,575	2,011,980
Fixed Deposits	3	10,000	3	30,520	4	12,420	-	-	-	-
Commercial Paper	178	904,350	224	1,489,830	123	888,010	109	525,220	18	97,850
Debentures/ Bonds	189	1,106,830	277	1,460,080	238	1,969,730	307	1,955,180	120	1,461,370
Others	61	-	54	-	168	-	681	-	524	-
Total	**1,579**	**5,910,660**	**1,808**	**6,527,000**	**2,187**	**8,068,780**	**5,980**	**9,268,606**	**3,237**	**3,571,200**

Credit Rating of General Debt Instruments

Our primary focus is on rating Rupee-denominated debt instruments and bank loans and facilities, including

- short, medium and long-term debt instruments, such as commercial paper, bonds, debentures, preference shares and structured debt instruments;
- bank loans and facilities, both fund-based and non fund-based; and
- deposit obligations, such as inter-corporate deposits, fixed deposits and certificates of deposit.

Bank Facility Rating under Basel-II Framework

Our bank loan and facility rating is an opinion on the credit risk pertaining to timely servicing of debt obligations covering the banks' exposure to their borrowers. The bank loans and facilities that are rated cover fund based, as well as non-fund based bank exposures, such as loans, cash credit facilities, working capital demand loans, letters of credit facilities and bank guarantees, among others.

Basel II is a recommendatory framework for banking supervision, and the RBI issued guidelines in April 2007 with respect to Basel II implementation in India. As required by RBI, foreign banks operating in India and Indian commercial banks having operational presence outside India were required to meet Basel II norms by March 31, 2008, while all other banks (except local area banks and regional rural banks) were to adhere to the guidelines by March 31, 2009.

Under the guidelines, circulars and notifications issued by RBI relating to implementation of Basel II standards, a bank's capital requirement for exposure to various entities is calculated using risk weights, which are linked to the credit ratings of bank facilities availed by those entities. We are recognized by RBI as an eligible credit rating agency for Basel II implementation in India.

We began providing bank loan and facility ratings under the Basel II framework in the financial year 2008, during which we completed 364 bank loan and facility assignments. We have steadily grown this business segment, having completed 4,883 and 2,575 bank loan and facility assignments during the financial year 2012 and the six months ended September 30, 2012, respectively.

RBI has on May 22, 2012 issued guidelines on Basel III capital regulations to the extent applicable to banks in India, which shall become effective from January 1, 2013 in a phased manner. See "Risk Factors – Material changes in the regulations that govern our business could adversely affect our results of operations" on page 21 of this Prospectus.

Issuer Ratings

Our issuer rating is an issuer-specific assessment of the credit risk of the entity. The issuer ratings provide an opinion on the credit-worthiness of the issuer.

Specialized Ratings

We also provide specialized ratings on specific instruments and clients. Some of the specialized rating services that we provide are as follows:

Structured Finance. The term 'structured finance' refers to securities where the servicing of debt and related obligation is backed by underlying financial assets, credit support from the originator or a third party to the transaction. Our structured finance ratings are an opinion on the likelihood of the timely servicing of debt obligations in accordance with the terms of the structure and are based on the risk quality of the underlying asset and the risk assessment of the transaction structure. We have a dedicated structured finance team that rates asset and mortgage backed securities in the Indian capital markets. SEBI has mandated that issuers of structured products and market linked debentures appoint a credit rating agency to provide a valuation of these products.

Mutual Funds. We provide credit quality rating ("**CQR**") for debt mutual fund schemes. Our fund CQR is an opinion on the overall credit quality of a specific debt mutual fund scheme and is based on the evaluation of the fund's investment strategy and portfolio credit risk. It involves assessment of credit quality of individual assets, diversification of portfolio, management quality and operational policies. We use the concept of credit scores, assigned to individual securities, as per a credit scoring matrix developed by us.

We also rate capital protection oriented schemes of mutual funds ("**CPS**"). The rating assesses the degree of certainty with which the portfolio structure can achieve the objective of capital protection. Our rating methodology for CPS involves a comprehensive analysis of the investment strategy, prevailing market conditions and the track record of the management. We then estimate the likelihood of a shortfall in the net asset value with respect to the face value of the units of the CPS on maturity.

Corporate Governance Rating. Our corporate governance rating provides an opinion on the relative standing of an entity with regard to adoption of corporate governance practices. The rating process also determines the relative standing of the entity vis-à-vis best practices followed in domestic and international markets. We examine the functioning of the board and committees, independence of the board, ownership structure, shareholder relations, organization structure and management information systems within the organization, level of transparency and financial prudence, as well as statutory and regulatory compliance of the entity. Our corporate governance and value creation rating emphasizes the ability of an entity to optimize value creation for all its stakeholders, including shareholders, employees, lenders and creditors, suppliers, customers and the society at large.

Rating Services Sectors

Our rating services can also be classified based on various sectors, namely, (i) corporates, (ii) infrastructure, (iii) financial sector, (iv) MSME, and (v) public finance.

Corporate Sector. We cater to the rating needs of the corporate sector through (i) ratings of debt instruments, such as bonds, debentures and commercial paper, (ii) bank loan and facility ratings, and (iii) issuer ratings. We have rated corporate entities across a wide range of sectors such as construction and real estate, shipping and shipyards, steel and steel products, power transmission, hospitality, textiles and cement, among others. We believe most of the large issuers in the corporate sector use our ratings.

Infrastructure Sector. Our project ratings are designed to evaluate the project risks involved in infrastructure projects. We have rated several entities in the power, roads and ports sectors. We also provide ratings of infrastructure companies and the debt instruments issued by them.

Financial Sector. In the financial sector, we cover the credit ratings of banks, NBFCs (including housing finance companies), micro-finance institutions, insurance companies, mutual funds and the securitization programs of certain large originators. Our clients include many Indian commercial banks and financial institutions.

MSME. Our services cater to the rating needs of micro, small and medium enterprises. The ratings are issuer specific, reflecting overall debt management capability of the enterprise. It is a one-time assessment of the credit risk of the rated entity.

Public Finance. Our public finance rating mainly comprises ratings of sub-sovereign entities and urban local bodies. We believe that, in so far as the implicit state ratings that are provided to state enterprises and undertakings is concerned, we have such ratings for the maximum number of states.

Rating Methodology

We undertake the rating exercise based on information provided by the client, in-house research and other sources that we consider reliable. The primary focus of the rating exercise is to assess future cash generation capability and the client's adequacy to meet debt obligations in adverse conditions. The analysis therefore attempts to determine the long-term fundamentals and the probabilities of change in these fundamentals, which could affect the creditworthiness of the client.

The analytical framework of our methodology is divided into two inter-dependent segments. The first deals with the operational characteristics and the second with the financial characteristics. In addition to quantitative factors, qualitative aspects, such as assessment of management capabilities, play a very important role in arriving at the rating for an instrument or entity. The relative importance of qualitative and quantitative components of the analysis varies with the type of business of the client. Rating determination is a matter of experienced and holistic judgment, based on the factors affecting the credit quality of the client. We have well developed rating criteria for covering various sectors.

Rating Process

We believe we have robust rating processes in place for carrying out ratings. The rating process is initiated on execution of a rating agreement between us and the client. Once engaged, we generally form a rating team of two to three analysts, including the group head, with the expertise and skills required to evaluate the business of the client. The client is then provided with a list of information required and the broad framework for discussions.

The rating involves assessment of a number of qualitative factors with a view to estimating the future earnings of the client. This requires extensive interactions with the client's management, and a study of many factors, including industry characteristics, competitive position of the client, operational efficiency, management quality, funding policies and past and projected financials. We typically carry out site visits to better understand the business and level of operations, assess the state of equipment and main facilities, evaluate the quality of technical personnel and form an opinion on the key variables that influence the level, quality and cost of production. These visits also help in assessing the progress of projects under implementation, if any.

We undertake an in-depth analysis of the client's past and projected financial statements to understand the client's financial position, liquidity and flexibility and its ability to service debt. We also interact with the client's auditors and bankers, and conduct a review of other secondary sources of information, including research from our own research team.

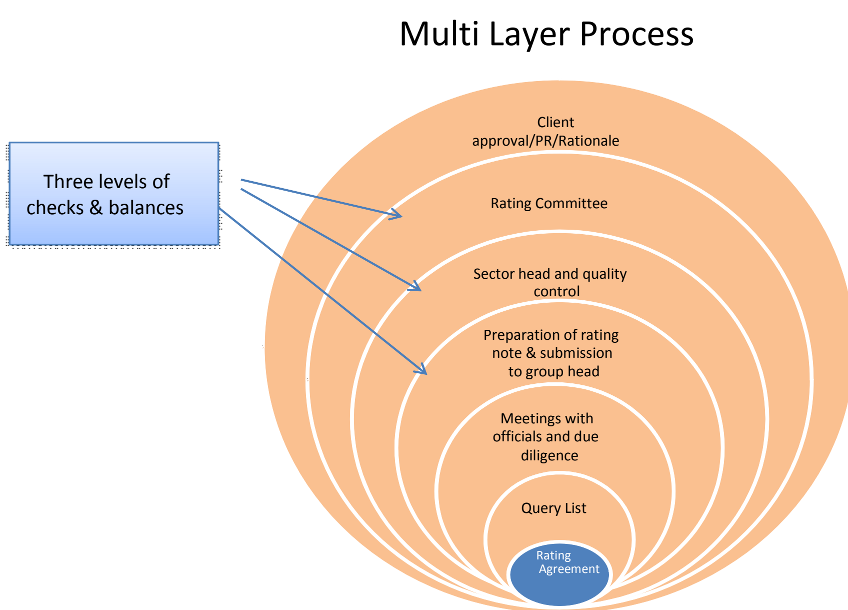
After completing the analysis, the rating team prepares a rating report. A significant portion of the quantitative section of the rating report is generated by our knowledge management system, which enables standardization across our Company and protects against data tampering. See "- Knowledge Management System" on page 111 of this Prospectus. The rating report is then subjected to a multi-tiered review mechanism to ensure that our high quality standards are continuously met. Following review by the rating group head, the rating report is reviewed by the quality control team and is also scrutinized by the relevant sector specialists, if any. The rating report is then considered by our internal rating committee or our external rating committee, if not both. All ratings decided by our internal rating committee are reported to the external rating committee. Our rating committees are the final authority for assigning ratings on behalf of our Company.

The provisional assigned rating is communicated to the client for acceptance. If the client accepts the rating, the client receives a detailed rating letter and a summary on the rationale for the rating, and the rating is released to the media within the prescribed time frame through a press release, on our website, in Careview, our quarterly journal on CARE Ratings, and in the "Rating Reckoner".

If the client does not accept the rating, it may seek a one-time review. Such reviews are usually undertaken only if the client provides new information or data that may affect the rating. The rating committees may revise the rating following its review of the information. Non-accepted ratings are not disclosed (except upon specific request by regulatory and statutory authorities or stipulated regulatory requirement) and complete confidentiality is maintained in this regard.

We monitor accepted ratings over the tenure of the rated instrument. The rating may be upgraded, downgraded or reaffirmed on periodic reviews, including surveillance.

The following diagram illustrates our multi-layer review process:



Rating Committees

We are committed to maintaining high standards of professional quality and integrity. In line with this, we have an internal rating committee comprising senior executives of our Company and an external rating committee, comprising a majority of independent members. Each rating report is considered by our internal rating committee or our external rating committee, if not both. Ratings decided by our internal rating committee are reported to the external rating committee. Our rating committees are assisted in the evaluation by a team of professional analysts with relevant industry knowledge.

As of September 30, 2012, our external rating committee consisted of the following members:

- Y. H. Malegam (Chairman), former managing partner of S.B. Billimoria & Co. and a member of the Board of Directors of ABC Bearings Limited, The Clearing Corporation of India Limited, First Source Solutions Limited, Hindustan Construction Co. Limited, National Securities Clearing Corporation Limited, NSE, Piramal Healthcare Limited, Siemens Limited and Western India Plywood Limited. He is also a member of the Committee of Indo German Chamber of Commerce and the Council of Indian Institute of Banking and Finance. He is also the chairman of SEBI's Committee on Disclosures and Accounting Standards;

- P.P. Pattanayak, former managing director of State Bank of Mysore and former deputy managing director and chief credit officer of SBI. He is also a member of the Board of Directors of IIFL Asset Management Company Limited;

- V. Leeladhar, former Deputy Governor, RBI, and formerly a member of the Board of Directors of Indian Banks Association, Institute of Banking and Finance, NABARD, National Housing Bank, New India Assurance Company Limited, General Insurance Corporation of India, Export Credit Guarantee Corporation of India Limited, Agriculture Finance Corporation Limited, Discount and Finance House of India Limited and SEBI. He is a member of the Board of Directors of Tata Global Beverages Limited;

- V.K. Chopra, former whole time member of SEBI and chairman and managing director of Corporation Bank and Small Industries Development Bank of India. He is a member of the board of directors of Rolta India Limited, Pantaloon Retail India Limited, Deewan Housing and Finance Limited, Centrum Direct Limited, MetLife India Insurance Company Limited, Pegasus Assets Reconstruction Private Limited, Havells India Limited, Future Finance Limited, Future Capital Finance Services Limited, Religare Asset Management Co. Limited, SIDBI Ventures Capital Limited, Reliance Capital Pension Fund Limited, Jaiprakash Associates Limited, Responsive Industries Limited, Milestone Capital Advisors Limited, Milestone Home Finance Company Private Limited and Deutsche Post Bank Home Finance Limited; and

- D.R. Dogra, the Managing Director and Chief Executive Officer of our Company. See "Our Management – Brief Biographies – D.R. Dogra" on page 124 of this Prospectus.

Grading Services

Our gradings are independent opinions on the relative performance capability of the subject entity and are designed to serve as a tool for identifying and managing risks associated with the entity.

We offer equity grading services, including IPO grading and "Equi-Grade". Our IPO grading is designed to comment on the fundamentals of a company offering the equity shares. We assess the fundamentals of an issue based on business fundamentals and prospects, financial position, management quality, corporate governance practices, project risk and compliance and litigation history.

In the financial year 2011, we launched "Equi-Grade," which involves independent research of equities and assigns grades based on fundamentals and valuations of the subject company. An Equi-Grade not only offers an opinion on the fundamental aspects of the company, but also on the valuation of its equity shares. This is of particular importance to both the subject company and investors when the company being graded is not widely traded on the stock market or not covered by research. As of September 30, 2012, we have conducted research of equities and assigned and published gradings to 30 subject companies since the launch of "Equi-grade."

Our grading services also include gradings in relation to various kinds of entities, including shipyards, maritime, educational institutions, construction and real estate projects, among others. Some of our grading services have been formulated pursuant to a statutory or regulatory regime applicable to the particular sector, such as the ESCO grading under accreditation by the Bureau of Energy Efficiency, and the RESCO grading under the aegis of the Ministry of New and Renewable Energy.

Research Services

Our research team primarily provides in-house support to our ratings team in the form of in-depth research on various sectors. We periodically publish industry research reports covering 39 sectors as of September 30, 2012, have published one-time industry research reports covering three sectors and also publish industry risk scores reports covering 109 sectors as of September 30, 2012, which are available on a subscription basis. We also prepare industry overviews for clients in relation to their capital markets offerings.

We offer our research services on a subscription basis to financial intermediaries, corporates, analysts and policy makers and our reports act as an aid in our clients' decision-making process. Our industry research reports provide an in-depth analysis of the business environment trends and outlook for the sector and are updated at regular intervals. Subscription-based research reports are made available through the CARE online research distribution system. A dedicated team of analysts tracks the industry sectors on a regular basis.

Some of the key areas in which we offer customized research are market sizing, demand estimation, demand supply gap analysis, cost benefit analysis, product segmentation, business analysis and cost indexation, among others.

Our industry risk scores reports, called CARE Industry Risk Metrics (CIRM), evaluate risk associated with industry, assessing various critical parameters that can impact cash flow and debt servicing capabilities of the industry over a two to three year time horizon. The risks of various parameters are quantified by assigning a score to each parameter, which include demand, supply, competition, factors of production, government policies and regulations and the financial structure of the industry. These reports are available for 109 sectors as of September 30, 2012.

Our economic research team provides detailed economic analysis of developments in the domestic economy and tracks global economic events. These reports are distributed to our clients, regulators, government departments, banks, mutual funds and the media. They are also available on our website. In addition to analyzing recent economic events, the economics team also carries out surveys on the economy, as well as special studies pertaining to different aspects of the economy.

Technical Assistance Services

We provided technical assistance to HR Ratings De Mexico S.A. DE C.V. in Mexico in the financial year 2008. In addition, in order to explore opportunities in Latin America, we provide technical assistance to Summa Ratings S.A., Ecuador with respect to providing credit ratings, among other services.

Risk Management Solutions

In November 2011, we acquired a 75.1% equity interest in Kalypto, a company providing risk management software solutions with a focus on credit and operational risk management services for banking, insurance and other financial institutions. For details, please see "Our Subsidiary" and "History and Certain Corporate Matters – Material Agreements" on pages 121 and 119 of this Prospectus.

Our credit risk product serves as a foundation to meet evolving regulatory risk requirements in line with Basel II recommendations and for integrating the client's entire credit risk profile. The operational risk product facilitates the client in assessing, identifying, measuring, monitoring, controlling and reporting of losses resulting from inadequate or failed internal processes, people or systems.

International Operations

We have recently expanded our footprint outside of India. In addition to providing technical assistance services to rating agencies outside of India, as described above, we are recognized by the Capital Markets Development Authority, Republic of Maldives to carry out rating services in respect of Maldivian companies through our office in the Republic of Maldives. This office rates rufiyaa denominated debt of Maldivian companies and Maldivian subsidiaries of multinational companies. We have completed two ratings assignments in the Republic of Maldives, and we are poised to expand our rating services with other products in this market. We have also been granted indirect recognition by the Hong Kong Monetary Authority as an external credit assessment institution for the purposes of the regulatory capital framework in Hong Kong. Authorized institutions incorporated in Hong Kong are now permitted to use a rating by us for determining the capital requirements for credit exposure to Indian corporates. We have also been provided an indirect recognition as an external credit assessment institution by the Bank of Mauritius.

We are focused on expanding our ratings business in other countries, including Nepal and Mauritius, where we intend to provide rating services pursuant to joint ventures. We recently entered into a non-binding memorandum of understanding with a credit rating agency in Africa and a financial services company in Mauritius to establish a credit rating agency in Mauritius. We have also entered into a non-binding memorandum of understanding with four credit rating agencies, each located in Brazil, Portugal, Malaysia and South Africa, to establish an international credit rating agency, which would operate as an independent and supra-sovereign rating agency. It is envisaged that the new international rating agency would carry out international scale ratings to assist local issuers in mobilizing resources from international markets. We have received a no objection letter from SEBI to enter into a joint venture for the establishment of an international credit rating agency, subject to satisfaction of certain conditions mentioned therein. For further details, see "Government and Other Approvals – Approvals in relation to the business of our Company in India – Others" and "Government and Other Approvals – Approvals in relation to the business of our Company in India – Approvals to be applied for by our Company" on pages 230 and 231 of this Prospectus.

We have also entered into an exclusive memorandum of understanding with Riskmap Consulting Limited, a Nigerian risk management consulting company, to explore opportunities to provide risk management solutions and training in risk management practices to banks and financial institutions in Nigeria.

Quality and Criteria Development

We have formalized a system of development and refinement of criteria for ratings, as necessitated by market developments. Our criteria development team continuously analyzes market developments, including regulatory changes and their impact on the analytical framework used for rating. It also scans international best practices and suggests changes to our rating criteria, as and when required. Such recommendations are considered by a team of senior rating personnel, as well as the external rating committee, when appropriate. Following this process, the recommendations are adopted as rating policy and are disseminated widely to the rating teams and communicated to the public. The criteria development team is also in regular contact with our rating teams for improving analytical processes.

Knowledge Management and Information Technology Systems

Knowledge Management System

Knowledge is the core of the products that we deliver. Accordingly, we have implemented an integrated information interface (the "**i3 Interface**") as a part of our CARE Knowledge Center located at the Ahmedabad office. The i3 Interface is a system that captures past financials, operational data and future projections at a central location and converts this data into a draft rating report. As such, a significant portion of the quantitative section of the rating report is generated by the system. This enables standardization across our Company and protects against data tampering. In addition, the i3 Interface is able to exploit data in such a manner as to generate multiple reports, which aids substantially in drawing analytical inference. The i3 Interface also enables us to create reusable components of research, which can be used across the business for various applications, including new product development.

The i3 Interface includes a workflow management system that tracks the entire process from the time that the mandate is generated until the dissemination of the rating (after its acceptance by the client). This helps considerably in organizing, directing and controlling workflow.

The i3 Interface provides us with additional operational efficiency with the segregation of the analytical functions into data entry and analysis, which has also helped us to improve the speed of processing a case.

Information Technology System

We rely on information technology to manage knowledge and enhance delivery efficiency. Our knowledge management system operates on a virtual private network and integrates data and research created by us and obtained from external sources, which can be accessed from a core database. We have a dedicated information technology team to control, coordinate and manage access to our knowledge database, enabling optimal use of our resources.

Marketing

Our senior marketing team comprises experienced and adept marketing professionals who focus on nurturing relationships with existing and potential clients and supporting their respective marketing team across regions. They also formulate detailed long and short term revenue reporting and forecasting reports on their respective regions. The marketing team interacts with banks and merchant bankers on a regular basis for lead generation. In addition, we make presentations to corporates on a regular basis to create awareness of our full range of services, and we hold 'Knowledge Sharing Forums' at frequent intervals with banks and financial institutions on various sector outlooks and rating methodologies.

Further, we have undertaken several marketing initiatives, including the sponsorship of, or participation in, industry events through associations with CNBC TV18 (The CFO Awards 2011-2012); the Confederation of Indian Industry (Finance and Investment Summit 2012 and CFO Summit 2011); Kotak Institutional Equities (BFSI Opportunities 2012); the Central Bank of India (seminars on entrepreneurship and bank credit for SMEs held in various states in India during 2011; Business India (Best Bank 2011); the Siliconindia CFO Summit held in Mumbai and Delhi in 2011 and the Federation of Automobile Dealers Association (FADA Auto Monitor ADEA Awards 2011). We were the knowledge partner of the Global Steel Conference 2012, and also organized a conference in Maldives in 2011 titled "A Developmental Perspective and the Role of Capital Markets".

In addition, we participated in various seminars and events, such as the ASSOCHAM Annual Summit 2012 on Financial Markets; the 2012 Global Investor Conference (organized by Kotak Institutional Equities); the 2012 Gujarat SME Manufacturing Summit organized by SME Chamber of India; the 2012 round-table discussion on the "Importance of Rating for Countries and Companies in Africa" organized by Theodor-Huess Academie and the Freidrich-Naumann-Stiftun Foundation, Gummersbach, along with the African Forum, in Germany; the Economic Times Real Estate Investment Forum and Business Spaces in 2011; the Finance Continuum 2011 conference organized by Financial Express and the Shailesh J. Mehta School of Management (SJMSOM) IIT, Mumbai.

We also hold programs along with the Institute of Company Secretaries of India for SMEs, and we have organized and hosted the CARE Ratings Banking Summit in October 2012, a panel discussion on the Union Budget 2012 - 2013 in March 2012 in Delhi, the Seminar on "Credit Default Swaps: Concepts and Prospects" in 2011, and the CARE Debt Market Summit in December 2010 as part of our drive to stimulate debate on these subjects and raise awareness of our capabilities. Further, we have entered into a memorandum of understanding with Network18 Media and Investments Limited, pursuant to which we will provide ranking of the top 500 manufacturing companies of India for the 15th anniversary issue of SEARCH, an industrial sourcebook covering general engineering and manufacturing.

Registrations, Recognitions and Accreditations

We are registered with SEBI as a credit rating agency under the CRA Regulations. We are recognized by RBI as an eligible credit rating agency whose ratings may be used by banks for assigning risk weights for credit risk for the implementation of Basel II in India. We are also recognized by RBI for rating fixed deposits of NBFCs and commercial paper and other statutory authorities and agencies in India for rating and grading services, such as the Ministry of Petroleum and Natural Gas (for LPG/SKO ratings), the Ministry of Defence (for private shipyard grading), Directorate General of Shipping (for maritime training institutes grading), the NSIC (for MSE ratings) and the Ministry of Renewable and Alternative Energy (for ESCO and RESCO grading), among others.

We have been granted indirect recognition by the Hong Kong Monetary Authority as an external credit assessment institution for the purposes of the regulatory capital framework in Hong Kong. We have also been recognized by Bank of Mauritius for using our ratings for risk weighting of bank claims on corporates for capital adequacy purposes.

We believe that we follow best practices for our industry and adhere to the code of conduct set out by IOSCO and the Association of Credit Rating Agencies in Asia. We have received ISO 9001:2008 quality management certifications for our head office in Mumbai and six branch offices for the credit rating of debt instruments and facilities, for research services at our head office in Mumbai and for data processing at the CARE Knowledge Centre in Ahmedabad. For details, see "Government and Other Approvals – Approvals in relation to the business of our Company in India – Others" on page 230 of this Prospectus.

Competition

We face competition for each of our products from other credit rating agencies, including CRISIL, ICRA, India Ratings and Research Private Limited (formerly "Fitch Ratings India Private Limited"), Brickworks Ratings India Private Limited and SME Rating Agency of India Limited. We also compete with investment banks, consulting organizations and brokerage firms that offer credit opinions and research. In addition, many users of our ratings also have in-house credit research capabilities and produce customized research.

Intellectual Property

We applied to register the trademark 'CARE Ratings' and 'CARE', as well as other trademarks related to our business on September 22, 2011. Our applications are pending as on date. See "Government and other Approvals – Approvals in relation to the business of our Company in India – Applications filed by our Company" on page 231 of this Prospectus and the risk factor "The infringement of, or our inability to register intellectual property rights could adversely affect our business. Currently our trademarks are pending registration." on page 24 of this Prospectus.

Employees

As of September 30, 2012 we had 519 employees. The following is a table showing the total number of employees as of the dates indicated below:

Category	**As of**				
	March 31, 2009	**March 31, 2010**	**March 31, 2011**	**March 31, 2012**	**September 30, 2012**
Analysts	121	168	237	350	368
Business Development and Others	37	54	73	150	151
Total	**158**	**222**	**310**	**500**	**519**

Upon joining our Company, our employees attend an in-house induction training program, which covers all aspects of our Company, and on an ongoing basis, analysts participate in seminars conducted by internal and external experts on various topics. In addition, analysts share their views on relevant topics in the Knowledge Sharing Forum, which are conducted regularly. Analysts also attend various seminars, conferences and training programs in India and abroad to sharpen their skills. None of our employees is a member of any labor union.

As of September 30, 2012, our Subsidiary, Kalypto, had 20 employees.

Insurance

We insure our assets at our offices through a comprehensive fixed assets policy, which covers risks such as fire and burglary, and we have obtained a personal accident insurance policy for our employees. We have also obtained mediclaim insurance for our employees and their spouses, dependant parents and children.

Property

Our registered office and head office, which is owned by us, is located at 4th floor, Godrej Coliseum, Somaiya Hospital Road, Sion (East), Mumbai 400 022. In addition, we own offices at Ahmedabad, Bangalore, Chennai, Hyderabad, Pune, Jaipur and Kolkata. We have also leased offices in Ahmedabad, Kolkata and New Delhi in India and Male in the Republic of Maldives.

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 section 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.

Our Company offers a wide range of rating and grading services across a diverse range of instruments and industries, and also provides general and customized industry research reports and risk management software solutions (through our Subsidiary). Credit rating agencies in India are regulated by the regulations and guidelines promulgated by SEBI. The following is an overview of the key legislations which are relevant to a credit rating agency in India.

Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999, as amended (the "CRA Regulations")

Credit rating agencies are required to obtain a registration certificate from SEBI under provisions of the CRA Regulations. The initial registration under the CRA Regulations is valid for a period of five years (pursuant to amendment dated July 5, 2011) and can be renewed for permanent registration thereafter. The renewal application for permanent registration is considered by SEBI in the same manner as an application for grant of a certificate of initial registration. The CRA Regulations provide eligibility criteria which are required to be fulfilled by the credit rating agencies. One of the criteria mandates the credit rating agencies to be set up and registered as a company under the provisions of the Companies Act.

The CRA Regulations prescribe a code of conduct (the "**Code of Conduct**") which credit rating agencies must comply with to ensure diligent and professional conduct of business and to protect the interest of the investors. The rating process of the credit rating agencies should reflect consistent and international rating standards. The Code of Conduct mandates the credit rating agencies to not make any exaggerated statement, whether oral or written, to the client either about their qualification or capability to render certain services or their achievements with regard to the services rendered to other clients.

Credit rating agencies are also required to frame appropriate procedures and systems to monitor trading by their employees in the securities of its clients to prevent insider trading and fraudulent and unfair trade practices relating to the securities market and other laws relevant to trading of securities.

The CRA Regulations also regulate the terms of agreement between credit rating agencies and their clients, and require credit rating agencies to periodically monitor the securities rated by them during their lifetime, provide periodic reviews of the ratings published and disseminate information on any newly assigned ratings or any change in the ratings assigned earlier. Under the CRA Regulations, disclosures in relation to assigned ratings must be made through press releases and websites. Credit rating agencies are required to specify and disclose their rating process to SEBI. Further, every credit rating agency is required to have a rating committee consisting of professionally qualified and knowledgeable members, and all ratings decisions are required to be taken by such a committee.

The CRA Regulations prohibit credit rating agencies from rating securities issued by them, their associates, subsidiaries, promoters (person who holds 10% or more, of the shares of the credit rating agency) or by a borrower, subsidiary or an associate (in relation to a promoter includes a body corporate in which the promoter holds 10% or more, of the share capital) of their promoters, subject to certain conditions.

Under the CRA Regulations, a compliance officer is required to be appointed by every credit rating agency, which officer is responsible for ensuring compliance with applicable laws.

The Code of Conduct prescribes certain provisions to ensure credible ratings by credit rating agencies without any conflict of interest. The key provisions include:

(a) Credit rating agencies or any of their employees should not render, directly or indirectly, any investment advice about any security in the publicly accessible media;

(b) Credit rating agencies should not offer fee-based services to the rated entities, beyond credit ratings and research; and

(c) Credit rating agencies should maintain an arm‘s length relationship between its credit rating activity and any other activity.

Further, under the provisions of the CRA Regulations, credit rating agencies are required to obtain approval of SEBI prior to any change in control. The credit rating agencies are required to report the changes in relation to amalgamation, demerger, consolidation or any other kind of corporate restructuring, change in director or change in shareholding not resulting in change of control to SEBI while submitting the 'Action Taken Report' in accordance with SEBI circular dated January 6, 2010.

In addition, the Capital Markets Division, Ministry of Finance, has issued a Report of the High Level Co-ordination Committee on 'Comprehensive Regulation for Credit Rating Agencies' in relation to the legal and policy framework for regulating the activities of credit rating agencies on December 21, 2009.

Securities and Exchange Board of India (Intermediaries) Regulations, 2008, as amended (the "SEBI Intermediaries Regulations")

Under the CRA Regulations, SEBI while determining whether a credit rating agency applying for registration is a 'fit and proper' person for granting the registration certificate may take into account the criteria specified in the SEBI Intermediaries Regulations. Therefore, while applying for the registration certificate under the CRA Regulations, credit rating agencies should be in compliance with Schedule II of the SEBI Intermediaries Regulations.

Internal rating based approach for banks

RBI has pursuant to the circular dated July 7, 2009 advised banks that they can apply for migrating to the IRB Approach from April 1, 2012. Presently, banks calculate credit risk capital charge under the standardized approach. The standardized approach measures credit risk based on external credit assessments. The IRB Approach allows banks which are willing to adopt the IRB approach, subject to the approval of RBI and fulfilling the requirements, to use their own internal estimates for some or all of the credit risk components in determining the capital requirement for a given credit exposure. RBI has pursuant to the circular dated December 22, 2011 issued guidelines for computing credit risk capital charge under the IRB Approach. As per the time frame specified for implementation of the IRB Approach, the earliest date of making application by banks to RBI is April 1, 2012 and RBI may, subject to 18 month detailed analysis of the applicant bank, commence grant of approvals by March 31, 2014. At any point of time if the RBI observes that a bank has deviated from fulfilling the requirements under the guidelines, it may withdraw the approval granted to such bank.

SEBI circular (No. CIR/MIRSD/4/2011) dated June 15, 2011 in relation to 'Standardization of Rating Symbols and Definitions'

SEBI has in consultation with the credit rating agencies devised standardized symbols to be used by all credit rating agencies in India in relation to (i) long term debt instruments; (ii) short term debt instruments; (iii) long term structured finance instruments; (iv) short term structured finance instruments; (v) long term mutual funds scheme; and (vi) short term mutual funds scheme.

Foreign Investment Regulations

FEMA Regulations

The FEMA governs the foreign investments in India. The rules, regulations and notifications issued by the RBI under FEMA from time to time, and the policy prescribed by the Department of Industrial Policy and Promotion (the "**DIPP**") provide for whether or not approval of the FIPB is required for activities to be carried out by non-residents in India.

RBI, in exercise of its power under the FEMA, has promulgated the FEMA Regulations, to prohibit, restrict or regulate, transfer by or issue of security to a person resident outside India.

The DIPP has issued the 'Consolidated FDI Policy', effective from April 10, 2012. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, the Consolidated FDI Policy will be valid until the DIPP issues an updated circular in 2013.

Consolidated FDI Policy

Under the Consolidated FDI Policy, credit rating is one of the 18 activities included under the head non-banking financial activities for which FDI is permitted under the automatic route, subject to certain minimum capitalization norms, including the following:

a) If FDI is up to 51%, USD 0.5 million should be brought in upfront by the foreign investor;

b) If FDI is more than 51% and up to 75%, USD 5 million should be brought in upfront by the foreign investor; and

c) If FDI is more than 75%, USD 50 million, out of which USD 7.5 million should be brought in upfront and the balance in 24 months by the foreign investor.

If the minimum capitalization norms are not fulfilled by a foreign investor, then prior approval of the FIPB will be required for FDI.

In case of non-banking financial companies undertaking non-fund based activities, which include credit rating agencies, USD 0.5 million should be brought in upfront by the foreign investor irrespective of the level of foreign investment. It would not be permissible for such a company engaged in non-fund based activities and receiving funds through FDI, to set up any subsidiary for any other activity, or participate in any equity of a non-banking financial company, which is a holding or an operating company

Regulations mandating rating/grading of securities

Certain regulatory authorities such as RBI, SEBI and IRDA, through various regulations, notifications and circulars, render it mandatory for certain regulated entities to invest only in rated/graded securities/instruments. Certain major regulations, circulars and notifications, which prescribe rating/grading of securities and/or the investee entity are (i) the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended; (ii) the Securities and Exchange Board of India (Collective Investment Schemes) Regulations, 1999, as amended; (iii) the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended; (iv) the Mortgage Guarantee Companies Investment (Reserve Bank) Directions, 2008, as amended; (v) the Issuance of Non-Convertible Debentures (Reserve Bank) Directions, 2010, as amended; (vi) the SEBI Regulations; (vii) the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (viii) the Master circular dated July 2, 2012 issued by RBI on 'Capital Adequacy Standards and Risk Management Guidelines for standalone Primary Dealers'; (ix) the Master circular dated July 2, 2012 issued by RBI on 'Prudential norms for classification, valuation and operation of investment portfolio by banks'; (x) the Master circular dated July 2, 2012 issued by RBI on 'Prudential Guidelines on Capital Adequacy and Market Discipline - New Capital Adequacy Framework'; and (xi) the guidelines issued by SEBI in relation to issue and listing of structured products and market linked debentures.

Labour Laws

Labour laws in India classify persons into 'employees' and 'workmen' based on factors which, among others, include the nature of work and remuneration. While workmen are typically entitled to various statutory benefits including gratuity, bonus, retirement benefits and insurance protection, employees are governed by the terms of their employment contracts.

The following is an indicative list of laws applicable to the operations and the employees and workmen of our Company:

- The Employees' State Insurance Act, 1948, as amended;
- The Employees Provident Funds and Miscellaneous Provisions Act, 1952, as amended;

- The Minimum Wages Act, 1948, as amended;
- The Payment of Bonus Act, 1965, as amended; and
- The Payment of Gratuity Act, 1972, as amended.

Shops and establishments laws in various states

Under the provisions of local shops and establishments laws applicable in various states, establishments are required to be registered. Such laws 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. Our Company's offices have to be registered under the Shops and Establishments laws of the state where they are located.

Other regulations

In addition to the above, our Company is required to comply with the provisions of the Companies Act, the Competition Act, different state legislations, various tax related legislations and other applicable statutes for its day-to-day operations.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated as Credit Analysis and Research Limited on April 21, 1993 at Mumbai, Maharashtra as a public limited company under the Companies Act. Our Company commenced its business activities subsequent to receipt of certificate for commencement of business dated May 27, 1993.

Our Company has acquired 6,020,540 equity shares of face value of Rs. 10 each of Kalypto representing 75.13% of the issued and paid-up share capital of Kalypto, pursuant to a share sale and purchase and shareholders' agreement dated November 22, 2011. For details, see "- Material Agreements" on page 119 of this Prospectus.

For the details regarding the business of our Company, see the section "Our Business" on page 97 of this Prospectus.

Members

Our Company has 30 members as of the date of this Prospectus.

Changes in Registered Office

The details of changes in the Registered Office are set forth below:

Date of the Resolution	Details of the address of Registered Office	Reasons for change
December 26, 2002	The registered office of our Company was changed from RCB, Mahindra Towers, 5th Floor, G. M. Bhosale Marg, Worli, Mumbai – 400 018 to 2nd Floor, Kalpatru Point, Kamani Marg, Sion (East), Mumbai 400 022 with effect from January 15, 2003	Our Company acquired new office premises
June 21, 2005	The registered office of our Company was changed from 2nd Floor, Kalpatru Point, Kamani Marg, Sion (East), Mumbai 400 022 to 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai 400 022 with effect from July 13, 2005	Our Company acquired new office premises

The Main Objects of our Company

The main object contained in the Memorandum of Association of our Company is as follows:

"To carry on the business of analysis, rating, evaluation and appraisal of the obligations, dues, debts and commitments, and the like including debentures, bonds, shares, stocks and other securities of all-bodies including Government (Central and State), statutory corporations, banking and financial institutions, Government Companies, private sector companies, non-profit organisations, utility companies, agencies, firms, societies, trusts and other bodies or associations of persons, whether incorporated or not, and whether in India or abroad, for its own use, as also for use by any persons, whether natural or juridical, including investors, issuers, underwriters, lenders, Government agencies, financial intermediaries, banks, financial and investment institutions, international agencies, research people and the like."

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently carried out.

Amendments to the Memorandum of Association

Date of shareholders' resolution	Nature of Amendment

Date of shareholders' resolution	Nature of Amendment
September 13, 2011	The initial authorized share capital of Rs. 100,000,000 divided into 10,000,000 Equity Shares was increased to Rs. 300,000,000 divided into 30,000,000 Equity Shares

Major events of our Company

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

Financial Year	Event
1993-94	• Commenced rating operations
1996-97	• Expansion of ratings operations to rating of toll roads, electricity board, municipal corporations, structured instruments • Completed nine studies on central public sector undertakings selected for disinvestment for the Disinvestment Commission
1997-98	• Launched 'CARE Loan Rating' for rating term loans
1998-99	• Started rating of debt mutual funds
1999-2000	• Launched rating for two structured products: bonds backed by real-estate receivables and collateral of shares • Obtained registration with SEBI under the CRA Regulations
2001-02	• Founding member of ACRAA
2002-03	• Launched corporate governance and value creation rating
2004-05	• Signed MoU with NSIC for empanelment as an approach rating agency for SSIs
2005-06	• Launched new products such as rating of SMEs, SSIs, mutual funds, issuer rating and IPO grading
2006-07	• Developed grading methodology for ultra mega power projects, urban local bodies, infra projects at pre-bid and post-bid stages and micro financial institutions
2007-08	• Executed MoUs with 19 banks to provide rating facilities under Basel II framework • Commenced providing technical assistance to a rating agency in Mexico • Received mandate from Ministry of Urban Development for rating of 13 urban local bodies under Jawaharlal Nehru National Urban Renewal Mission
2009-10	• Established CARE Knowledge Centre at Ahmedabad • Commenced providing technical assistance to credit rating agency in Ecuador
2010-11	• Acquired license to operate credit rating operations in Maldives • Launched new products including equigrade, ESCO grading, RESCO grading and financial strength grading of shipyards, edugrade and real estate project star ratings • Rated a perpetual bond issued by a non financial services corporate company
2011-12	• Acquisition of 75.13% of the issued and paid up equity share capital of Kalypto • Acquired indirect recognition as an external credit assessment institution from Hong Kong Monetary Authority

Material Agreements

Share sale and purchase and shareholders' agreement dated November 22, 2011 between our Company, Shree Nidhi Secure Print Private Limited, Srinivasan Nadadur, Kalypto, P.D. Baburaj, Shirish Atre, Yatin Nachane, D. Banuprakash, S. Rajesh and Ashish Kulkarni (the "Agreement")

Pursuant to the Agreement, our Company has acquired (i) an aggregate of 71.13% of the issued and paid up equity share capital of Kalypto from two shareholders of Kalypto, Shree Nidhi Secure Print Private Limited and Srinivasan Nadadur; and (ii) 4.00% of the issued and paid up equity share capital of Kalypto from four employee shareholders of Kalypto (namely, P.D. Baburaj, Shirish Atre, Yatin Nachane and D. Banuprakash). The balance shareholding of

Kalypto remains with P.D. Baburaj, Shirish Atre, Yatin Nachane, D. Banuprakash, S. Rajesh and Ashish Kulkarni (the "**Employee Shareholders**").

Our Company has an irrevocable call option (exercisable between April 1, 2014 and March 31, 2017) to acquire, either itself or through an affiliate, all of the equity shares of Kalypto from the Employee Shareholders. Further, if the Employee Shareholders propose to sell all or part of their shareholding in Kalypto, they will be required to first offer such equity shares to our Company.

The Employee Shareholders have an irrevocable put option (exercisable between April 1, 2015 and March 31, 2017) to sell all of their respective equity shares (either individually or collectively) to our Company or its affiliate.

The price payable by our Company to an Employee Shareholder on exercise of the call option or the put option, as described above, shall be determined in accordance with the Agreement.

Our Company has the right to appoint the chairman of Kalypto. Further, the board of directors of Kalypto shall be comprised of eight directors, or such other number as may be mutually agreed between our Company and the Employee Shareholders, of which our Company has the right to appoint six directors as long as we hold at least 75.13% of the paid-up equity share capital of Kalypto.

Bank guarantees for an amount aggregating to Rs. 7.20 million valid up to November 11, 2014 (extendable at the interval of every three years) at the instance of Shree Nidhi Secure Print Private Limited have been issued to Kalypto in respect of any claims or demands which the tax authority may have against Kalypto in relation to pending disputes on account of (i) Kalypto's writing-off all the expenses in respect of Kalypto's shares and stock option plan in the financial year 2007; and (ii) fees paid towards the services of the channel partners received by Kalypto.

Subsidiaries

As of the date of this Prospectus, our Company has one subsidiary, Kalypto. For details regarding Kalypto, please see the section "Our Subsidiary" on page 121 of this Prospectus.

Holding Company

Our Company does not have any holding company.

Financial and Strategic Partners

Our Company does not have any financial or strategic partners.

Injunction and restraining order

Our Company is not under any injunction or restraining order.

Competition

For details of the competition faced by our Company, see "Our Business – Competition" on page 112 of this Prospectus.

OUR SUBSIDIARY

Our Company has one subsidiary, namely, CARE Kalypto Risk Technologies and Advisory Services Private Limited.

CARE Kalypto Risk Technologies and Advisory Services Private Limited

Corporate Information

Kalypto was incorporated under the Companies Act as 'Yamuna Services Private Limited' on February 15, 1999. Subsequently, its name was changed to 'Kalypto Risk Technologies Private Limited' and a fresh certificate of incorporation was issued by the RoC on December 15, 2005. Its name was further changed to 'CARE Kalypto Risk Technologies and Advisory Services Private Limited' and a fresh certificate of incorporation was issued by the RoC on September 24, 2012.

Kalypto is engaged in the business of providing risk management software solutions and offers products with exclusive focus on banking and financial services domain and addressing the areas of enterprise risk management. Kalypto provides a range of specialised risk management solutions for the banking industry.

Capital Structure

The authorised share capital of Kalypto is Rs. 100,000,000 divided into 10,000,000 equity shares of Rs.10 each and the issued and paid up capital is Rs. 80,135,000 divided into 8,013,500 equity shares of Rs. 10 each.

Shareholding Pattern

The shareholding pattern of Kalypto as of the date of this Prospectus is set forth below:

S. No.	Name of shareholders	Equity shares	Percentage (%)
1.	Credit Analysis and Research Limited	6,020,536	75.13
2.	P.D. Baburaj	417,960	5.22
3.	Shirish Atre	417,960	5.22
4.	Yatin Nachane	417,960	5.22
5.	D. Banuprakash	417,960	5.22
6.	S. Rajesh	256,896	3.21
7.	Ashish Kulkarni	64,224	0.80
8.	Rajesh Mokashi*	1	0.00**
9.	Revati Kasture*	1	0.00**
10.	P.N. Sathees Kumar*	1	0.00**
11.	Navin K. Jain*	1	0.00**
	Total	**8,013,500**	**100.00**

* Equity shares held jointly with our Company.
** *Negligible.*

Kalypto has not made any public or rights issue in the last three years and has not become a sick company under the meaning of SICA and is not under winding up.

Interest in our Company

Kalypto does not have any interest in our Company's business.

Common Pursuits of the Subsidiary in the Company

Kalypto does not have any interest in any venture that is involved in any activities similar to those conducted by our Company. Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when they arise.

OUR MANAGEMENT

Board of Directors

As per the Articles of Association, our Company is required to have not less than three Directors and not more than 12 Directors. As on the date of this Prospectus, the Board comprises six Directors.

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

Sr. No.	Name, Designation, Father's Name, Address, Occupation and DIN	Age (years)	Other Directorships/Partnerships/Trusts in which the Director is a trustee
1.	**O.V. Bundellu** *S/o* Venkatswamy Bundellu *Chairman (independent and non-executive Director)* *Address:* Building No. 16, Flat No. 61 Ashiana, Off Link Road Next to Infinity Mall Oshiwara Jogeshwari (West) Mumbai 400 102 *Occupation:* Professional *Nationality:* Indian *Term:* Liable to retire by rotation *DIN:* 00032950	62	*Other Directorships* 1. MITCON Consultancy and Engineering Services Limited; 2. Principal Trustee Company Private Limited; 3. Kalypto; and 4. Laxmi Organic Industries Limited *Partnerships* Nil *Trusteeships* CARE-ESOS Trust, Chairman
2.	**D.R. Dogra** *S/o* Ram Ditta Dogra *Managing Director and Chief Executive Officer (non independent and executive Director*) *Address:* A-302, Glengate Hiranandani Gardens, Powai Mumbai 400 076 *Occupation:* Service *Nationality:* Indian *Term:* Five years from August 22, 2009 *DIN:* 00226775	58	*Other Directorships* 1. Kalypto *Partnerships* Nil *Trusteeships* CARE-ESOS Trust
3.	**Rajesh Mokashi**	51	*Other Directorships*

Sr. No.	Name, Designation, Father's Name, Address, Occupation and DIN	Age (years)	Other Directorships/Partnerships/Trusts in which the Director is a trustee
	S/o Ramchandra Sadashiv Mokashi *Deputy Managing Director (non independent and executive Director)* *Address:* 801, Corner Stone Near Dindoshi Bus Depot Film City Road, Malad (East) Mumbai 400 097 *Occupation:* Service *Nationality:* Indian *Term:* Five years from August 22, 2009 *DIN:* 02781355		Kalypto *Partnerships* Nil *Trusteeships* CARE-ESOS Trust
4.	**Dr. Nitish Kumar Sengupta** *S/o* Nirmal Kumar Sengupta *Independent and non-executive Director* *Address:* Home No. 135 Pocket 40, Chittaranjan Park New Delhi 110 019 *Occupation:* Professional *Nationality:* Indian *Term:* Liable to retire by rotation *DIN:* 00094845	78	*Other Directorships* 1. Nagarjuna Agrichem Limited; 2. BNK Capital Markets Limited; 3. Inova Hotels and Resorts Private Limited; and 4. Hindustan Gum & Chemicals Limited *Partnerships* Nil *Trusteeships* Nil
5.	**Venkatraman Srinivasan** *S/o* Subbarama Srinivasan *Independent and non-executive Director* *Address:* 73, Keshav Smruti 8B Cadell Road, Dadar Mumbai 400 028 *Occupation:* Chartered Accountant	53	*Other Directorships* 1. Chennai Petroleum Corporation Limited; 2. Shriram Properties Private Limited; 3. Karanja Infrastructure Private Limited; and 4. UTI Retirement Solutions Limited. *Partnerships* V. Sankar Aiyar & Co., Chartered Accountants *Trusteeships*

Sr. No.	Name, Designation, Father's Name, Address, Occupation and DIN	Age (years)	Other Directorships/Partnerships/Trusts in which the Director is a trustee
	Nationality: Indian *Term:* Liable to retire by rotation *DIN:* 00246012		Nil
6.	**Bharti Prasad** *D/o* Late Suresh Prasad *Independent and non-executive Director* *Address:* Flat No-C-307, 3rd Floor Humsub Apartments CGHS Plot No.14, Sector 4 Dwarka, New Delhi 110 078 *Occupation:* Professional *Nationality:* Indian *Term:* Liable to retire by rotation *DIN:* 03025537	63	*Other Directorships* 1. SJVN Limited *Partnerships* Nil *Trusteeships* Nil

Relationship between the Directors

None of the Directors are related to each other.

Brief Biographies

O.V. Bundellu

O.V. Bundellu is the Chairman and an independent Director of our Company. He holds a Bachelor's degree in Science from University of Mumbai, a Master's degree in Science and a Master's degree in Financial Management from University of Mumbai. He has more than 38 years of experience in commercial banking and development banking. Prior to joining our Company, he was associated with IDBI Bank as Deputy Managing Director and has served as a director on the board of several companies. Presently, he is an independent director on the board of MITCON Consultancy and Engineering Services Limited, Principal Trustee Company Private Limited and Laxmi Organic Industries Limited. He is the chairman of Kalypto. He has been associated with our Company as an independent Director since February 9, 2010.

D.R. Dogra

D.R. Dogra is the Managing Director and Chief Executive Officer of our Company. He holds a Bachelor's and a Master's degree in Agriculture from Himachal Pradesh University and a Master's degree in Business Administration (Finance) from University of Delhi. He is a certified associate of the Indian Institute of Bankers. He has more than 34 years of experience in the financial sector and in credit administration. Prior to joining our Company, he was associated with Dena Bank as senior manager. He is a member of WR Economic Affairs Sub-Committee of Confederation of Indian Industry and Federation of Indian Chambers of Commerce and Industry, member of executive body of Swayam Siddhi College of Management & Research, and board of governance of Universal

Business School, Mumbai. He is a director, chairman of membership committee and member of training committee at Association of Credit Rating Agencies in Asia, Manila and Philippines. He is a director of Kalypto. He has been associated with our Company since 1993 and was appointed on the Board on June 30, 2008.

Rajesh Mokashi

Rajesh Mokashi is the Deputy Managing Director of our Company. He holds a Bachelor's degree in Mechanical Engineering from Veer Jijamata Technical Institute, Mumbai and a Master of Management Studies degree from University of Bombay. He is a qualified Chartered Financial Analyst and has also cleared Level III of the CFA Program conducted by the CFA Institute, USA. He has obtained a Diploma in Import and Export Management from Indian Institute of Materials Management. He has more than 27 years of experience in finance, commerce and credit risk sectors. He has been associated with OTIS Elevators Company (India) Limited, DSP Financial Consultants Limited and Kotak Mahindra Finance Limited in the past. He is a director of Kalypto. He has been associated with our Company since 1993 and was appointed on the Board on August 22, 2009.

Dr. Nitish Kumar Sengupta

Dr. Nitish Kumar Sengupta is an independent and non-executive Director of our Company. He holds a Master's degree in Arts from University of Calcutta, and doctorate and PhD degree in Management from University of Delhi. He has also obtained a PhD degree from University of Andhra Pradesh. He has over 50 years of experience in the field of planning, administration and management. He is a retired I.A.S. officer and prior to joining our Company, he has held various positions including revenue secretary and member secretary of the Planning Commission, Controller of Capital Issues. He was also associated with International Management Institute as its director general. He serves as a director on board of many companies. He has been associated with our Company as an independent Director since May 12, 1993.

Venkatraman Srinivasan

Venkatraman Srinivasan is an independent and non-executive Director of our Company. He holds a Bachelor's degree in Commerce from University of Mumbai and is a qualified Chartered Accountant. He has more than 27 years of experience as a practicing Chartered Accountant. He is currently a partner of V. Sankar Aiyar & Co., Chartered Accountants. He has been associated with our Company as an independent Director since May 12, 2006.

Bharti Prasad

Bharti Prasad is an independent and non-executive Director of our Company. She holds a Master's degree in Arts and an M.Phil degree from Punjab University, Chandigarh. She has more than 39 years of experience in finance, accounts, audit, oversight and administration. Prior to joining our Company, she has held various positions including Deputy Comptroller & Auditor General of India, Accountant General, Uttar Pradesh, Joint Secretary, Department of Expenditure, Ministry of Finance, Principal Accountant General, West Bengal. She has also worked with the United Nations Children's Fund, New York. She is currently an independent director on the board of SJVN Limited. She is also a member of Advisory Group on Evaluation and Audit- International Civil Aviation Organization, Canada and a member of the International Public Sector Accounting Standard and Board, New York. She has also worked with Population Foundation of India which is a non-governmental, non-profit organisation in the field of reproductive health and care. She has been associated with our Company as an independent Director since July 29, 2010.

Confirmations

None of the Directors is or was a director of any listed company during the last five years preceding the date of the Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.

None of the Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company.

Terms of Appointment of Executive Directors

The remuneration of the executive Directors of our Company is pursuant to the terms of appointment contained below:

D.R. Dogra

D.R. Dogra was appointed as the Managing Director and Chief Executive Officer of our Company with effect from August 22, 2009 for a period of five years pursuant to a resolution passed by the shareholders of our Company on September 29, 2009. The terms of his appointment are set forth in the table below:

Particulars	Remuneration
Basic Salary including perquisites and performance linked variable pay	Rs. 9.60 million per annum
Annual Increment	10% per annum (effective from April 1 every year)
Commission	Not exceeding 1% of the net profits of our Company as calculated in accordance with the provisions of Section 349 and 350 of the Companies Act and as may be decided by the Remuneration Committee and approved by the Board.
Perquisites	a) Furnished accommodation or house rent allowance; b) Leave travel benefit; c) Interest subsidy on housing loan; d) Personal accident insurance; e) Contribution to provident fund and superannuation fund (borne by our Company and not included in the monetary limit for perquisites); f) Gratuity as per rules of our Company (borne by our Company and not included in the monetary limit for perquisites); g) Cost of car and telephone for personal use (Cost of car and mobile phone for office work is borne by our Company and not included in the monetary limit for perquisites); and h) Reimbursement of medical expenses on actual basis subject to annual ceiling of Rs. 0.1 million (not included in the monetary limit for perquisites).
Others	a) Leave benefits as per the rules of our Company. Provided, such leave period should not exceed one month for every 11 months of service; b) Reimbursement of entertainment expenses incurred for the purpose of our Company’s business; and c) Other benefits as may be made available by our Company.

In the event, in a financial year during the currency of his tenure as a whole-time Director, our Company has no profits or our profits are inadequate, D.R. Dogra shall be entitled to remuneration by way of salary and perquisites not exceeding the limits specified in Schedule XIII of the Companies Act.

Rajesh Mokashi

Rajesh Mokashi was appointed as the whole-time Director of our Company with effect from August 22, 2009 for a period of five years pursuant to a resolution passed by the shareholders of our Company on September 29, 2009. He is also the Deputy Managing Director of our Company. The terms of his appointment are set forth in the table below:

Particulars	Remuneration
Basic Salary including perquisites and	Rs. 8.20 million per annum

Particulars	Remuneration
performance linked variable pay	
Annual Increment	10% per annum (effective from April 1 every year)
Commission	Not exceeding 1% of the net profits of our Company as calculated in accordance with the provisions of Section 349 and 350 of the Companies Act and as may be decided by the Remuneration Committee and approved by the Board.
Perquisites	a) Furnished accommodation or house rent allowance; b) Leave travel benefit; c) Interest subsidy on housing loan; d) Personal accident insurance; e) Contribution to provident fund and superannuation fund (borne by our Company and not included in the monetary limit for perquisites); f) Gratuity as per rules of our Company (borne by our Company and not included in the monetary limit for perquisites); g) Cost of car and telephone for personal use (Cost of car and mobile phone for office work is borne by our Company and not included in the monetary limit for perquisites); and h) Reimbursement of medical expenses on actual basis subject to annual ceiling of Rs. 0.1 million (not included in the monetary limit for perquisites).
Others	a) Leave benefits as per the rules of our Company. Provided, such leave period should not exceed one month for every 11 months of service; b) Reimbursement of entertainment expenses incurred for the purpose of our Company's business; and c) Other benefits as may be made available by our Company.

In the event, in a financial year during the currency of his tenure as a whole-time Director, our Company has no profits or our profits are inadequate, Rajesh Mokashi shall be entitled to remuneration by way of salary and perquisites not exceeding the limits specified in Schedule XIII of the Companies Act.

Payment or benefit to Directors of our Company

The sitting fees/other remuneration paid to the Directors in financial year 2012 are as follows:

1. Remuneration to Executive Directors:

The aggregate value of the remuneration paid to the executive Directors in financial year 2012 is as follows:

Name of Director	Salary (Rs. in million)	Perquisites and Allowances (Rs. in million)	Commission (Rs. in million)
D.R. Dogra	9.14	2.85	1.20
Rajesh Mokashi	7.60	2.30	0.70

2. Remuneration to Non- Executive Directors:

The details of the sitting fees and commission paid to the non-executive Directors in financial year 2012 are as follows:

Name of Director	Sitting Fees (Rs. in million)	Commission (Rs. in million)
O.V. Bundellu	0.32	Nil
Dr. Nitish Kumar Sengupta	0.26	Nil
Venkatraman Srinivasan	0.40	Nil
Bharti Prasad	0.28	Nil

Shareholding of Directors

The shareholding of the Directors as of the date of this Prospectus is set forth below:

Name of Director	Number of Equity Shares held
O.V. Bundellu	Nil
D.R. Dogra	46,818
Rajesh Mokashi	46,818
Dr. Nitish Kumar Sengupta	Nil
Venkatraman Srinivasan	Nil
Bharti Prasad	Nil

Our Articles of Association do not require our Directors to hold any qualification shares.

Borrowing Powers of Board

In accordance with the Article of Association, the Board may, from time to time, at its discretion, by a resolution passed at a meeting of the Board, accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of our Company. Provided however, where the money to be borrowed together with the money already borrowed (apart from temporary loan obtained from our Company's bankers in the ordinary course of business) exceeds the aggregate of the paid up capital of our Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of our Company in a General Meeting.

Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to us immediately upon the listing of the Equity Shares with the Stock Exchanges. Our Company believes that it is in compliance with the requirements of the applicable regulations, including the Listing Agreement with the Stock Exchanges and the SEBI Regulations, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Company has a Board of Directors constituted in compliance with the Companies Act and the Listing Agreement with the Stock Exchanges and in accordance with best practices in corporate governance. The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides the Board of Directors detailed reports on its performance periodically.

Currently the Board has six Directors, of which the Chairman of the Board is a non-executive Director. In compliance with the requirements of Clause 49 of the Listing Agreement, our Company has two executive Directors and four independent and non-executive Directors, on the Board.

Committees of the Board

Audit Committee

The members of the Audit Committee are:

1. Venkatraman Srinivasan, *Chairman*;
2. Dr. Nitish Kumar Sengupta;
3. Bharti Prasad; and
4. Rajesh Mokashi.

The Audit Committee was constituted by a meeting of the Board of Directors held on May 9, 2001. The Audit Committee was re-constituted on August 31, 2011 in terms of Clause 49 of the Listing Agreement. The scope and function of the Audit Committee is in accordance with Section 292A of the Companies Act and Clause 49 of the Listing Agreement and its terms of reference include the following:

1. Overseeing our Company's financial reporting process and disclosure of its financial information;

2. Recommending to the Board the appointment, re-appointment, and replacement of the statutory auditor and the fixation of audit fee;

3. Approval of payments to the statutory auditors for any other services rendered by them;

4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

    (i) 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;

    (ii) Changes, if any, in accounting policies and practices and reasons for the same;

    (iii) Major accounting entries involving estimates based on the exercise of judgment by management;

    (iv) Significant adjustments made in the financial statements arising out of audit findings;

    (v) Compliance with listing and other legal requirements relating to financial statements;

    (vi) Disclosure of any related party transactions; and

    (vii) Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

6. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

7. 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;

8. Discussion with internal auditors on any significant findings and follow up there on;

9. 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;

10. 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;

11. 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;

12. Reviewing the functioning of the whistle blower mechanism, in case the same is existing;

13. Review of management discussion and analysis of financial condition and results of operations, statements of significant related party transactions submitted by management, management letters/letters of internal control weaknesses issued by the statutory auditors, internal audit reports relating to internal

control weaknesses, and the appointment, removal and terms of remuneration of the chief internal auditor; and

14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The powers of the audit committee shall include the power:

1. To investigate activity within its terms of reference;

2. To seek information from any employees;

3. To obtain outside legal or other professional advice; and

4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee is required to meet at least four times in a year under Clause 49 of the Listing Agreement.

Remuneration Committee

The members of the Remuneration Committee are:

1. Dr. Nitish Kumar Sengupta, *Chairman*;

2. Venkatraman Srinivasan;

3. Bharti Prasad; and

4. D.R. Dogra.

The Remuneration Committee was constituted by a meeting of the Board of Directors held on August 28, 2006 as 'Compensation Committee'. The Remuneration Committee was re-constituted on September 28, 2011 in terms of Clause 49 of the Listing Agreement and renamed as 'Remuneration Committee'. The terms of reference of the Remuneration Committee include the following:

1. To review the compensation package of Managing Director and other senior executives/ officers of our Company;

2. To lay down policies on performance evaluation criteria and evaluate the performance of senior executives/ officers of our Company at such intervals as deemed fit; and

3. To take advice from outside experts on compensation pattern and other related matters.

Investors' Grievance Committee

The members of the Investors' Grievance Committee are:

1. Bharti Prasad;

2. Venkatraman Srinivasan; and

3. D.R. Dogra.

The chairman of the Investors' Grievance Committee shall be elected by the members amongst themselves. The Investors' Grievance Committee was constituted by the Board of Directors at their meeting held on August 31, 2011. This Committee is responsible to carry out such functions for the redressal of shareholders' and investors' complaints, including but not limited to, transfer of Equity Shares, non-receipt of balance sheet, non-receipt of dividends, and any other grievance that a shareholder or investor of our Company may have against our Company.

Other Committees

In addition, the Board constitutes, from time to time, such other committees, as may be required, for efficient functioning and smooth operation of our Company.

Interest of Directors

Our Company has not entered into any service contracts with the Directors.

No loans have been availed by the Directors from our Company.

The Directors may be interested to the extent of fees payable to them and/or the commission payable to them for attending meetings of the Board of Directors or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

The Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer. All the Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.

The Directors have no interest in any property acquired by our Company within the preceding two years from the date of the Draft Red Herring Prospectus filed with SEBI.

Except as stated in the section "Related Party Transactions" on page 139 of this Prospectus and described herein, the Directors do not have any other interest in the business of our Company.

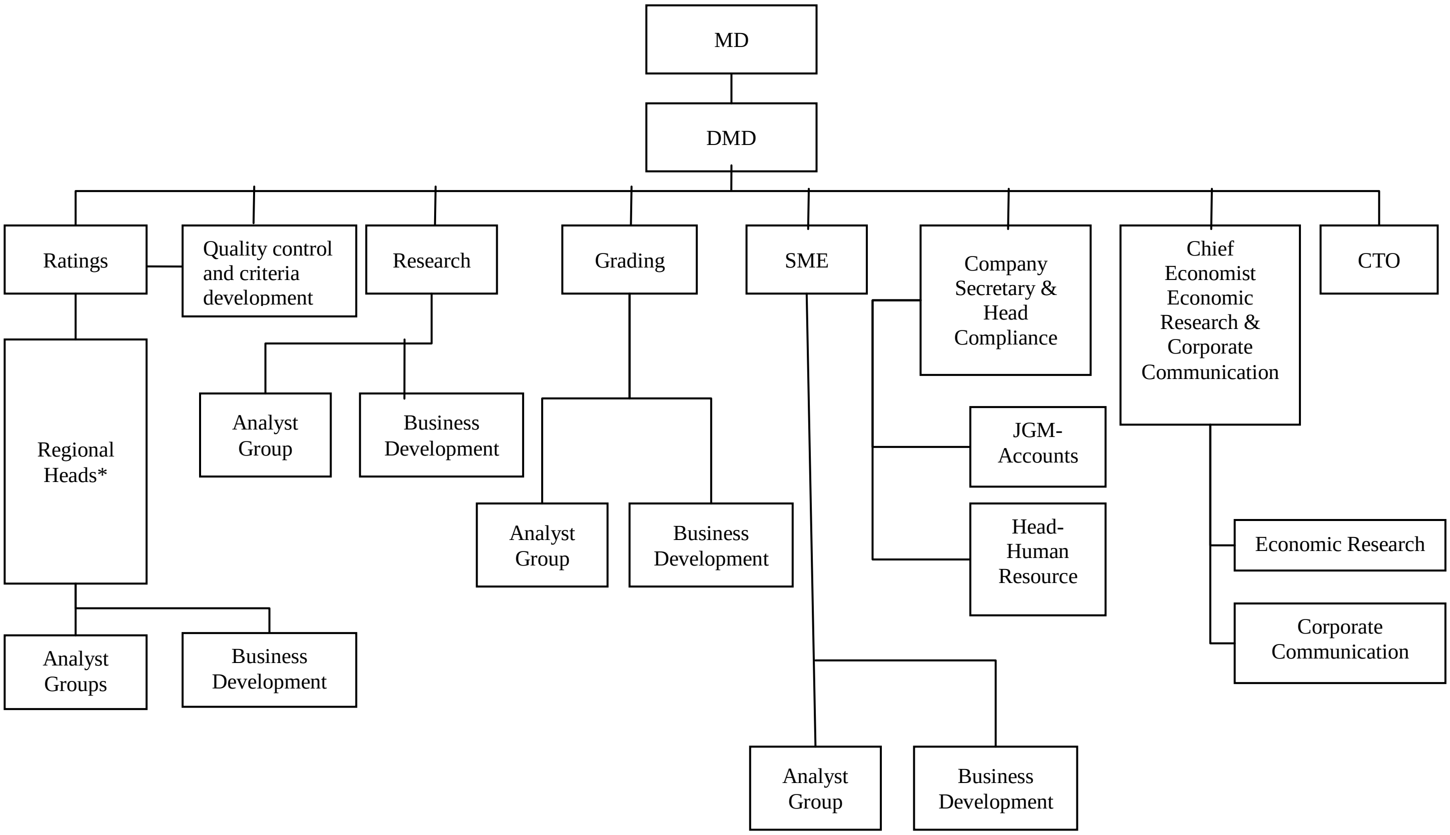
Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which the Directors or the key managerial personnel were selected as director or member of senior management.

Except as stated in " - Payment or benefit to Directors of our Company" on page 127 of this Prospectus, no amount or benefit has been paid within the two preceding years or is intended to be paid or given to any of our Company's officers, including the Directors and key managerial personnel. None of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company. Further, except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the Directors and the key managerial personnel, are entitled to any benefits upon termination of employment.

Changes in the Board in the last three years

Name	Date of appointment/ change/cessation	Reason
Bharti Prasad	July 29, 2010	Appointment as an additional independent Director
O. V. Bundellu	February 9, 2010	Appointment as an additional independent Director and Chairman
Narasimham Venkata Pillutla	February 9, 2010	Resignation

Management Organization Chart



****Head office, Ahmedabad Regional Office, Bangalore Regional Office, Chennai Regional Office, Delhi Regional Office, Hyderabad Regional Office, Jaipur Regional Office, Kolkata Regional Office, Maldives and Pune Regional Office.*

Key Managerial Personnel

Except Akash Deep Jyoti, Umesh Ikhe and Chandresh Shah, all the key managerial personnel are permanently employed with our Company as of the date of this Prospectus. Akash Deep Jyoti, Umesh Ikhe and Chandresh Shah are on probation as on the date of this Prospectus. As per our Company's human resources policy, the key managerial personnel are required to retire from employment at the age of 60 years.

The details of the key managerial personnel, other than the executive Directors, as of the date of this Prospectus, are as follows:

P.N. Sathees Kumar, aged 53 years, is a chief general manager of our Company. He is responsible for rating/grading of certain large corporates and entities belonging to different sectors including steel, power components, hospitality and logistics. He has been associated with our Company since January 3, 1996. He holds a Master's degree in Economics from Birla Institute of Technology & Science, Pilani. He has also obtained a Master's degree in Financial Management from University of Mumbai. He has more than 29 years of experience in the field of credit rating, advisory services, institutional appraisal and resource mobilization. Prior to joining our Company, he worked with Small Industries Development Bank of India. The gross compensation paid to him during financial year 2012 was Rs. 5.32 million.

T.N. Arun Kumar, aged 46 years, is the chief general manager (head - quality control and criteria development) of our Company. He has been associated with our Company since December 30, 1994. He holds a Bachelor's degree in Technology (Agricultural Engineering) from Indian Institute of Technology, Kharagpur and a Post Graduate Diploma in Management (Agriculture) from Indian Institute of Management, Ahmedabad. He is a CFA charter holder from the Association of Investment Management and Research, USA (now known as CFA Institute) and is a qualified financial risk manager from Global Association of Risk Professionals, USA. He has over 23 years of experience in the field of financial services. Prior to joining our Company, he worked with The Industrial Finance Corporation of India Limited. The gross compensation paid to him during financial year 2012 was Rs. 5.20 million.

Navin K. Jain, aged 45 years, is the company secretary, head - finance and compliance officer of our Company. He manages the compliance, legal and the human resource departments of our Company. He has been associated with our Company since May 22, 1995. He holds a Bachelor's degree in Commerce from Kolkata University and a Master of Financial Services Management from Alkesh Dinesh Modi Institute of Investment Studies, University of Mumbai. He is a qualified Company Secretary. He has 24 years of experience in the field of accounting services. Prior to joining our Company, he worked with Kathotia Traders Private Limited. The gross compensation paid to him during financial year 2012 was Rs. 4.32 million.

Milind Gadkari, aged 43 years, is a general manager of our Company. He is responsible for quality control, training of new recruits, relationship management, overall supervision, work flow control amongst others. He has been associated with our Company since January 18, 1996. He holds a Bachelor's degree in Engineering from Sardar Patel College of Engineering, Mumbai and a Master's degree in Management Sciences from University of Mumbai. He is also a CFA charter holder from the CFA Institute, USA and is a qualified financial risk manager from Global Association of Risk Professionals, USA. He has over 16 years of experience in the field of credit rating, training of new recruits and business development. Prior to joining our Company he worked with Asia Foundations and Constructions Limited. The gross compensation paid to him during financial year 2012 was Rs. 3.61 million.

Mehul Pandya, aged 40 years, is a general manager of our Company and regional head of Ahmedabad office, covering the states of Gujarat, Rajasthan and Madhya Pradesh. He also oversees our international operations. He has been associated with our Company since August 8, 2000. He holds a Bachelor's degree in Engineering (Instrumentation and Control) from Gujarat University and a Master's degree in Business Administration from Bhavnagar University. He is also a CFA charter holder from the CFA Institute, USA. He has over 16 years of experience in the field of providing rating services. Prior to joining our Company, he worked with Gujarat Industrial Investment Corporation Limited. The gross compensation paid to him during financial year 2012 was Rs. 3.57 million.

Swati Agrawal Jain, aged 41 years, is a general manager of our Company. She is also the regional head of our operations in North India. She has been associated with our Company since July 1, 2003. She was also associated with our Company during the period 1995-2000. She holds a Bachelor's degree in Technology (Production Engineering) from Govind Ballabh Pant University of Agriculture & Technology and has done a Post Graduate Programme in Management (Finance) from S.P. Jain Institute of Management and Research, Mumbai. She has over 16 years of experience in the field of credit rating, advisory and consultancy. Prior to joining our Company, she worked with Colliers Jardine (India) Property Services Limited. The gross compensation paid to her during financial year 2012 was Rs. 3.07 million.

Revati Kasture, aged 40 years, is the general manager (head-research) of our Company. She is head of 'CARE Research', our research team. She has been associated with our Company since June 5, 2006. She holds a Bachelor's degree in Commerce from Shri Narsee Monjee College of Commerce and Economics, University of Bombay. She is a qualified Chartered Accountant and Cost Accountant from ICAI and the Institute of Cost and Works Accountants of India, respectively. She has over 13 years of experience in the field of credit analysis and research services. Prior to joining our Company, she worked with Credit Lyonnais, a French banking company in their Mumbai office. She has been honoured with Professional Achiever – Woman award by ICAI in December 2011. The gross compensation paid to her during financial year 2012 was Rs. 3.43 million.

Madan Sabnavis, aged 49 years, is the chief economist (general manager – economics department) of our Company. He has been associated with our Company since April 14, 2010. He holds a Bachelor's degree in Economics (Honours) from St. Stephen's College, University of Delhi and a Master's degree in Economics from Delhi School of Economics, University of Delhi. He has over 25 years of experience in the field of development banking, commercial banking, engineering and commodity markets. Prior to joining our Company, he worked with NCDEX Limited. The gross compensation paid to him during financial year 2012 was Rs. 3.61 million.

Sanjay Kumar Agarwal, aged 43 years, is a general manager of our Company. He has been associated with our Company since August 2, 2010. He holds a Bachelor's degree in Commerce from North Bengal University. He is a graduate from the Institute of Cost and Works Accountants of India, a qualified Chartered Accountant and a Certified Financial Planner from Financial Planning Standards Board India. He has over 18 years of experience in the field of corporate and infrastructure finance, risk management and banking. Prior to joining our Company, he worked with ICICI Bank Limited. The gross compensation paid to him during financial year 2012 was Rs. 3.85 million.

Amod Khanorkar, aged 46 years, is a general manager of our Company. He has been associated with our Company since May 27, 2011. He holds a Bachelor's degree in Engineering from Nagpur University and a Post Graduate Diploma in Management from Xavier Institute of Management, Bhubaneswar. He has over 19 years of experience in the field of credit rating, valuations and project appraisal in infrastructure sector. He also has three years of experience in sales and service in the field of computers. Prior to joining our Company, he worked with CRISIL. The gross compensation paid to him during financial year 2012 was Rs. 2.61 million.

R. Suryanarayan, aged 46 years, is a general manager of our Company. He has been associated with our Company since November 2, 2011. He holds a Bachelor's degree in Science from University of Mumbai. He has over 25 years of experience in the field of business development and general management. Prior to joining our Company, he worked with Populus Management Services, a consulting firm, as its managing director. The gross compensation paid to him during financial year 2012 was Rs. 1.11 million.

Akash Deep Jyoti, aged 42 years, is a general manager of our Company. He has been associated with our Company since September 5, 2012. He holds a Bachelor's degree in Engineering (Mechanical) from Delhi College of Engineering, Delhi University and a Post Graduate Programme in Management from Indian Institute of Management, Bangalore. He has nearly 20 years of experience, primarily in the areas of credit rating, advisory and research services. Prior to joining our Company, he worked with CRISIL. The gross compensation paid to him during financial year 2012 was nil, as he joined after March 31, 2012.

Umesh Ikhe, aged 43 years, is the group chief technology officer of our Company. He is responsible for architecting, building and maintaining information technology setup, business IT applications, maintenance and support. He has been associated with our Company since April 11, 2012. He holds a Bachelor's degree in Computer Science from Pune University. He has also completed the Executive General Management Program from the Indian Institute of Management, Bangalore. He has over 20 years of experience in the field of information technology in banking and financial services and information technology companies. Prior to joining our Company, he worked with Aurionpro Solutions Limited. The gross compensation paid to him during financial year 2012 was nil, as he joined after March 31, 2012.

Vijay Agrawal, aged 35 years, is a joint general manager of our Company. He has been associated with our Company since June 7, 2011. Prior to this period, he was associated with our Company from October 20, 2008 to March 31, 2011. He holds a Bachelor's degree in Commerce from Kishinchand Chellaram College, Mumbai, a Master of Management Studies (Finance) degree and a Master's degree in Business Administration (Finance) from Narsee Monjee Institute of Management Studies, Mumbai. He is a graduate from the Institute of Cost and Works Accountants of India. He has over 11 years of experience in the field of financial and rating services. Prior to joining our Company, he worked with JP Morgan Services India Private Limited. The gross compensation paid to him during financial year 2012 was Rs. 2.24 million.

Saikat Roy, aged 37 years, is the joint general manager of our Company. He is also the regional head of our office at Hyderabad. He has been associated with our Company since July 5, 2011. He holds a Bachelor's degree in Commerce (Honours) from Kolkata University. He is a graduate from the Institute of Cost and Works Accountants of India. He has over 11 years of experience in the banking sector. Prior to joining our Company, he worked with Barclays Bank PLC. The gross compensation paid to him during financial year 2012 was Rs. 2.02 million.

Priti Agarwal, aged 36 years, is a joint general manager of our Company. She has been associated with our Company since February 1, 2001. She holds a Bachelor's degree in Commerce (Honours) from Kolkata University and is an associate member of ICAI. She is a qualified Company Secretary. She has over 11 years of experience in the field of credit rating. Prior to joining our Company, she worked with Allied Resins & Chemicals Limited. The gross compensation paid to her during financial year 2012 was Rs. 2.43 million.

Jyotsna Gadgil, aged 42 years, is a joint general manager of our Company. She has been associated with our Company since October 19, 2005. She holds a Bachelor's degree in Commerce from University of Pune and has done a Post Graduate Programme in Business Administration from Symbiosis Institute of Business Management, University of Pune. She is a graduate from and an associate member of the Institute of Cost and Works Accountants of India. She has over 20 years of experience in the field of finance. Prior to joining our Company, she worked with IFCI Limited. The gross compensation paid to her during financial year 2012 was Rs. 2.24 million.

Chandresh Shah, aged 38 years, is the joint general manager (accounts) of our Company. He has been associated with our Company since March 6, 2012. He holds a Bachelor's degree in Commerce from University of Mumbai. He is a qualified Chartered Accountant from ICAI. He has over 14 years of experience in the fields of finance, accounting, taxation and US GAAP. Prior to joining our Company, he worked with CRISIL. The gross compensation paid to him during financial year 2012 was Rs. 0.16 million.

None of the key managerial personnel are related to each other.

Shareholding of key managerial personnel

The shareholding of the key managerial personnel as of the date of this Prospectus is set forth below:

Name of key managerial personnel	Number of Equity Shares held
P.N. Sathees Kumar	29,151
T.N. Arun Kumar	28,599
Navin K. Jain	20,325
Milind Gadkari	29,838
Mehul Pandya	19,386
Swati Agrawal Jain	8,829
Revati Kasture	Nil
Madan Sabnavis	Nil
Sanjay Kumar Agarwal	Nil
Amod Khanorkar	Nil
R. Suryanarayan	Nil
Akash Deep Jyoti	Nil
Umesh Ikhe	Nil
Vijay Agrawal	Nil
Saikat Roy	Nil
Priti Agarwal	6,000
Jyotsna Gadgil	Nil
Chandresh Shah	Nil

Bonus or profit sharing plan of the key managerial personnel

The executive Directors and key managerial persons of our Company are paid performance linked variable pay as per the terms of appointment.

Interests of key managerial personnel

The key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and the Equity Shares held, if any. In addition, some of the key managerial personnel may also be deemed to be interested to the extent of any shareholding and entitlement to dividend thereof.

Except as disclosed below, no loans have been availed by the key managerial personnel from our Company:

Nature of Loan	Name of the key managerial personnel	Amount of loan sanctioned (Rs.)	Principal amount outstanding as at September 30, 2012 (Rs.)	Interest amount outstanding as at September 30, 2012 (Rs.)
Vehicle loan	T.N. Arun Kumar	200,000	13,345	30,333
	Mehul Pandya	200,000	43,342	28,983

Except as disclosed, none of the key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration.

Changes in the key managerial personnel

The changes in the key managerial personnel in the last three years are as follows:

Name	Designation	Date of change	Reason for change
Madan Sabnavis	Chief economist, general manager (economics department)	April 14, 2010	Appointment
Sanjay Kumar Agarwal	General manager	August 2, 2010	Appointment
Nayan C. Mehta	Joint general manager (accounts)	February 7, 2011	Appointment
Amod Khanorkar	General manager	May 27, 2011	Appointment
Vijay Agrawal	Joint general manager	June 7, 2011	Appointment
Saikat Roy	Joint general manager	July 5, 2011	Appointment
S. Nag	Chief general manager	March 31, 2012	Resignation
Nayan C. Mehta	Joint general manager (accounts)	January 13, 2012	Resignation
R. Suryanarayan	General manager	November 2, 2011	Appointment
Chandresh Shah	Joint general manager (accounts)	March 6, 2012	Appointment
T.N. Arun Kumar	Chief general manager (head - quality control and criteria development)	April 1, 2012	Change in designation pursuant to promotion
Umesh Ikhe	Group chief technology officer	April 11, 2012	Appointment
Akash Deep Jyoti	General manager	September 5, 2012	Appointment

Payment or Benefit to officers of our Company

Except as stated otherwise in this Prospectus, no non-salary amount or benefit has been paid or given or is intended to be paid or given to any of our Company's employees including the key managerial personnel and the Directors.

Employees Stock Option Schemes

Our Company instituted the Scheme with effect from December 1, 2006, pursuant to Board and shareholders' resolutions dated August 28, 2006 and September 29, 2006, respectively. Our Company also instituted the 2012 Scheme pursuant to the Board and shareholders' resolutions dated February 18, 2012 and April 18, 2012, respectively. As on the date of this Prospectus, there are no options outstanding under the Scheme and the 2012

Scheme and these schemes have terminated. For the details of the schemes, see “Capital Structure - Employees Stock Option Schemes” on page 66 of this Prospectus.

PRINCIPAL SHAREHOLDERS

Our Company is a professionally managed company and does not have any promoter (as defined under the SEBI Regulations).

Principal shareholders

The shareholders who hold more than 15% Equity Shares of our Company are as follows:

1. IDBI Bank; and

2. Canara Bank

The details of the shareholding of IDBI Bank and Canara Bank as of the date of this Prospectus are as follows:

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage (%)
1.	IDBI Bank	7,363,200	25.79
2.	Canara Bank	6,513,600	22.81

For further details, see "Capital Structure - Shareholding Pattern of our Company" on page 63 of this Prospectus.

RELATED PARTY TRANSACTIONS

For details of the related party disclosures, see "Financial Statements – Annexure IV – Notes to the Restated Unconsolidated Assets and Liabilities, Profits and Losses and Cash Flow – C.2.12 – Related Party Transactions" and "Financial Statements – Annexure IV – Notes to the Restated Consolidated Assets and Liabilities, Profits and Losses and Cash Flow – C.2.8 – Related Party Transactions" on pages 188 and 156 of this Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by the Board of Directors and approved by the shareholders of our Company, in their discretion, subject to the provisions of the Articles of Association and the Companies Act. The dividends, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual restrictions and overall financial position of our Company. Our Company has no formal divided policy. The dividends declared by our Company on the Equity Shares during the last five financial years are detailed in the following table:

Particulars	Financial year 2012	Financial year 2011	Financial year 2010	Financial year 2009	Financial year 2008
Face value per Equity Share (Rs.)	10.00	10.00	10.00	10.00	10.00
Dividend paid (Rs. in million)	285.53	61.86	47.56	31.43	34.99
Rate of dividend (%)	100.00	65.00	50.00	40.00	45.00
Dividend distribution tax (Rs. in million)	46.32	10.04	8.08	5.34	5.94

The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or dividend amounts, if any, in the future.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Auditors' Report as required by Part II of Schedule II of the Companies Act, 1956

To
The Board of Directors
Credit Analysis & Research Limited
4th Floor, Godrej Coliseum
Somaiya Hospital Road
Sion (East)
Mumbai – 400 022

Dear Sirs,

1 We have examined the Restated Consolidated Financial Information ('Restated Consolidated Financial Information') of Credit Analysis & Research Limited ('CARE' or 'the Company') and a Subsidiary Company CARE Kalypto Risk Technologies and Advisory Services Private Limited (formerly known as Kalypto Risk Technologies Private Limited) ('Kalypto') (together referred to as 'the Group'), annexed to this report as at and for the years ended March 31, 2012 and as at and for the six months period ended September 30, 2012 for the purposes of inclusion in the offer document, stamped and initialled by us for identification, and as prepared by the Company in connection with its proposed Initial Public Offer through Offer for Sale ('IPO').

2 This Restated Consolidated Financial Information, approved by the Board of Directors of the Company, has been prepared by the management in accordance with:

a) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act');

b) The Securities and Exchange Board of India ('SEBI') (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('the SEBI Regulations'), as amended from time to time, issued by SEBI in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments;

3 We have examined the Restated Consolidated Financial Information in accordance with:

a) The terms of reference received from the Company vide their letter dated October11, 2012 requesting us to carry out work on such Financial Information, proposed to be included in the offer document of the Company in connection with its proposed IPO;

b) The (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India ('the Guidance Note').

4 The Restated Consolidated Financial Information as at and for the year ended March 31, 2012 and as at and six months period ended September 30, 2012 have been extracted by the management from the Audited Consolidated Financial Statements.

We did not audit the financial statements of the Kalypto as at and for the year ended March 31, 2012, whose financial statements reflect total assets of Rs.34,184,505 total revenue from operations of Rs.14,969,298 and cash inflows of Rs.7,215,123 prepared in accordance with accounting principles generally accepted in India at the relevant time and originally approved by the board in its board meeting held on June 05, 2012. Those Financial Statements of Kalypto have been audited by BSR & Associates, Chartered Accountants, whose report on these financial statements have been relied upon by us. Our opinion, in so far as it relates to the amounts related to Kalypto as at and for the year ended March 31, 2012 included in these Restated Consolidated Financial Information, are based solely on the reports of the other auditor as mentioned above.

We have only verified the impact, if any, of retrospective adjustments on account of changes in significant accounting policies and estimates, prior period items and regroupings for these years.

5 Based on our examination, as referred to in paragraph 4 above, we state that:

a) The Restated Consolidated Assets and Liabilities of the Group as at March 31, 2012 and as at September 30, 2012 are as set out in Annexure I to this report. These statements have been arrived at after making such adjustments and regroupings as in our opinion are appropriate and more fully described in the notes appearing in Annexure IV to this report.

b) The Restated Consolidated Profits and Losses of the Group for the financial year ended March 31, 2012 and for the six months period ended September 30, 2012 are as set out in Annexure II to this report. These profits have been arrived at after making such adjustments and regrouping as in our opinion are appropriate and more fully described in the notes appearing in Annexure IV to this report.

c) The Restated Consolidated Cash Flows of the Group for the financial year ended March 31, 2012 and for the six months period ended September 30, 2012 are as set out in Annexure III to this report. These cash flows have been arrived at after making such adjustments and regrouping as in our opinion are appropriate and more fully described in the notes appearing in Annexure IV to this report.

6 We have also examined the following other Consolidated Financial Information set-out in Annexures prepared by the management and approved by the Board of Directors relating to the Group as at and for the year ended March 31, 2012 and as at and for six months period ended September 30, 2012:

a) Statement of Consolidated Investments, as restated, enclosed as Annexure V

b) Statement of Consolidated Trade Receivables, as restated, enclosed as Annexure VI

c) Statement of Consolidated Long Term Loans and Advances, as restated, enclosed as Annexure VII

d) Statement of Consolidated Other Non Current Assets, as restated, enclosed as Annexure VIII

e) Statement of Consolidated Short Term Loans and Advances, as restated, enclosed as Annexure IX

f) Statement of Consolidated Other Current Assets, as restated, enclosed as Annexure X

g) Statement of Consolidated Income from Operations, as restated, enclosed as Annexure XI

h) Statement of Consolidated Other Income, as restated, enclosed as Annexure XII

i) Statement of Consolidated Dividend, as restated, enclosed as Annexure XIII

j) Statement of Consolidated Accounting Ratios, as restated, enclosed as Annexure XIV

Based on our examination as referred to in paragraph 4 above, we state that, the 'Other Restated Consolidated Financial Information' as disclosed in the Annexures to this report as referred to above, read with respective Significant Accounting Policies and Notes to Restated Consolidated Financial Information as set out in Annexure IV, and prepared after making the adjustments and regrouping as considered appropriate, have been prepared in accordance with Paragraph B (1) of Part II of Schedule II of the Act and the SEBI Regulations.

7 We have not audited any financial statements of the Group as of any date or for any period subsequent to September 30, 2012. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Group as of any date or for any period subsequent to September 30, 2012.

8 This report should not be in any way construed as a reissuance or re-dating of any of the Previous Auditors Reports issued by other firm of Chartered Accountants nor should this report be construed as a new opinion on any of the Financial Statements referred to herein.

9 We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.

10 We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11 Our report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed IPO and should not be used for any other purpose whatsoever except with our prior written consent.

For Khimji Kunverji & Co.
Chartered Accountants
Firm Registration No.105146W

Sd/-
Gautam V Shah
Partner (F –117348)

Place: Mumbai
Date: October 21, 2012

Credit Analysis and Research Limited

Annexure - I Restated Consolidated Assets and Liabilities

(Rs. in Million)

	Particulars	As at	
		30-Sep-12	**31-Mar-12**
	Non Current Assets		
	Fixed Assets		
	Tangible Assets	478.51	484.65
	Intangible Assets	2.99	5.97
	Goodwill on consolidation	72.27	72.27
	Total Fixed Assets	**553.77**	**562.89**
	Non Current Investments	1,051.02	954.93
	Long Term Loans and Advances	128.29	117.46
	Other Non Current Assets	5.64	9.17
A	**Total Non Current Assets**	**1,738.72**	**1,644.45**
	Current Assets		
	Current Investments	2,324.16	1,704.46
	Trade Receivables	528.29	159.70
	Cash and Bank Balances	281.49	702.50
	Short Term Loans and Advances	15.07	12.73
	Other Current Assets	56.67	72.24
B	**Total Current Assets**	**3,205.68**	**2,651.63**
	Non Current Liabilities		
	Deferred Tax Liability (Net)	43.54	35.03
	Long term provisions	36.62	22.75
C	**Total Non Current Liabilities**	**80.16**	**57.78**
D	**Minority interest**	**4.98**	**5.89**
	Current Liabilities		
	Trade Payables	0.51	0.91
	Other Current Liabilities	549.54	392.13
	Short Term Provisions	43.08	70.99
E	**Total Current Liabilities**	**593.13**	**464.03**
	Net worth (A+B-C-D-E)	**4,266.13**	**3,768.38**
	Net worth represented by:		
	Shareholders' Funds		
F	Share Capital	285.53	285.53
G	Share Application Money	-	-
H	Emloyees Stock Option Outstanding	-	-
I	**Reserves and Surplus**		
	General Reserves	1,037.14	1,037.14
	Securities Premium	20.11	20.11
	Capital Redemption Reserves	2.25	2.25
	Profit and Loss Account	2,921.10	2,423.35
	Total Reserves & Surplus	**3,980.60**	**3,482.85**
	Net worth (F+G+H+I)	**4,266.13**	**3,768.38**

Notes:

The above statement should be read with the notes to the restated consolidated assets and liabilities, profits and losses and cash flows as appearing in Annexure - IV

For **Khimji Kunverji & Co**.
Chartered Accountants
Firm Registration No. 105146W

Sd/-
Gautam V Shah
Partner (F –117348)

Place: Mumbai
Date: October 21, 2012

Credit Analysis and Research Limited

Annexure - II Restated Consolidated Profits and Losses

(Rs. in Million)

	Particulars	For the year / period ended	
		30-Sep-12	31-Mar-12
A	**Income**		
	Revenue From Operations	912.14	1,904.79
	Other Income	127.60	283.16
	Total Income	**1,039.74**	**2,187.95**
B	**Expenditure**		
	Employee Benefits Expense	243.17	416.40
	Other Expenses	78.66	133.31
	Depreciation	19.13	21.43
	Total Expenses	**340.96**	**571.14**
C	**Restated Profit before Tax (A - B)**	**698.78**	**1,616.81**
	Current Tax	193.43	452.21
	Deferred Tax Expense	8.51	6.69
D	**Total Tax Expense**	**201.94**	**458.90**
E	Minority interest	(0.91)	0.22
F	**Restated Profit after Tax (C - D - E)**	**497.75**	**1,157.69**

Notes:

The above statement should be read with the notes to the restated consolidated assets and liabilities, profits and losses and cash flows as appearing in Annexure - IV

For **Khimji Kunverji & Co.**
Chartered Accountants
Firm Registration No. 105146W

Sd/-
Gautam V Shah
Partner (F –117348)

Place: Mumbai
Date: October 21, 2012

Credit Analysis and Research Limited

Annexure - III Restated Consolidated Cash Flows

(Rs. in Million)

	Particulars	For the six month ended 30-Sep-12	For the year ended 31-Mar-12
A	**Cash flows from/ (used in) Operating Activities**		
	Restated Net Profit before Tax (Minority Interest adjusted)	699.69	1,616.59
	Adjustments for:		
	Income from Investment	(126.34)	(281.92)
	Provision for Leave Encashment	4.47	9.34
	Unrealized Foreign Exchange Loss	-	0.01
	Provision for Gratuity	-	1.34
	Provision for Bad Debts	2.60	-
	Loss/(Profit) on Sale of Fixed Assets	0.86	-
	Depreciation & Impairment	19.13	21.43
	Operating Profit before Working Capital changes (as Restated)	**600.41**	**1,366.79**
	Movement in Working Capital		
	Decrease/(Increase) in Trade Receivables	(371.20)	(31.78)
	Decrease/(Increase) in Loans and Advances / Other Current Assets	(30.16)	(8.84)
	Increase/(Decrease) in Unearned Revenue	71.69	119.41
	Increase/(Decrease) in Trade Payables / Other Liabilities	66.79	36.72
	Cash flow from Operations	**(262.88)**	**115.51**
	Direct Taxes Paid	(184.10)	(500.37)
	Net cash generated from Operating Activities, as Restated	**153.43**	**981.93**
B	**Cash flows from Financing Activities**		
	Change in Minority Interest	(0.91)	5.89
	Dividend and Dividend Tax Paid	-	(403.75)
	Net cash used in Financing Activities, as Restated	**(0.91)**	**(397.86)**
C	**Cash flows from/ (used in) Investing Activities**		
	Income from Investments	153.10	219.11
	Investment in Subsidiary	-	(89.40)
	Proceeds from Sale of Fixed Assets	0.50	-
	Purchase of Fixed Assets (including Capital Work in Progress)	(11.36)	(82.44)
	Purchase of Long term investments	(2,433.57)	(4,629.08)
	Proceeds from Sale of Investments	1,717.80	4,510.60
	Net cash used in Investing Activities, as Restated	**(573.53)**	**(71.21)**
	Total Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	**(421.01)**	**512.86**
	Add: Adjustment towards acquisition	-	8.90
	Cash and Cash Equivalents at the Beginning of the year, as Restated	**702.50**	**180.74**
	Cash and Cash Equivalents at the End of the year, as Restated	**281.49**	**702.50**

NOTES:

1 Figures in bracket indicate cash outflow

2 The above statement should be read with the notes to the restated consolidated assets and liabilities, profits and losses and cash flows as appearing in Annexure - IV

For **Khimji Kunverji & Co.**
Chartered Accountants
Firm Registration No. 105146W

Sd/-
Gautam V Shah

Partner (F –117348)
Place: Mumbai
Date: October 21, 2012

Annexure – IV

Notes to the Restated Consolidated Assets and Liabilities, Profits and Losses and Cash Flows

A. 1 Table highlighting Material Adjustment

The summary of results of material restatement made in the audited financial statements for the respective years and its impact on the profit of the Group is as follows:

(Rs. in Million)

Particulars	Notes	For the six month ended	For the year ended
		30-Sep-12	31-Mar-12
Profit after Tax as per Audited Financial Statements after minority interest		**496.23**	**1,076.10**
Change in Revenue recognition policy of Surveillance Income	B(1)	-	109.07
Other Adjustments			
Prior period adjustments with respect to accounting of LTA	B(2)(a)	-	11.74
Tax Related Adjustments			
Income tax adjustment for earlier years	B(2)(b)	1.52	-
Provision for Tax	B(2)(c)	-	(39.22)
Total Tax Related Adjustments		**1.52**	**(39.22)**
Restated Profit after Tax		**497.75**	**1,157.69**

A. 2 During the year ended March 31, 2012, the Revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Group, for preparation and presentation of its financial statements. The adoption of Revised Schedule VI of the Companies Act, 1956 does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Group has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

B Notes on Material Adjustments

B.1 Changes in Accounting Policy

The Company has changed its revenue recognition policy for surveillance fees from the year ended March 31, 2012, which was hitherto recognized in full in the year in which it became due. The management has estimated a portion of surveillance fees to be recognized as income, commensurate with the efforts involved on the date the surveillance activity is completed. The balance surveillance fee is recorded equally over the 12 months surveillance period which commences 1 year after the date of assigning rating.

Surveillance fees relating to earlier years have been restated as per revised policy.

B.2 Other Adjustments

B.2.a) Prior Period Items

In the audited financial statements for the year ended March 31, 2012, the company has provided Leave Travel Allowance to employees aggregating to Rs. 11.74 million pertaining to earlier years.

Accordingly, in Restated consolidated financial information, such prior period Leave Travel Allowance has been appropriately adjusted in the respective years.

B.2.b) Income tax adjustments for earlier years

The Audited Financial Statements for the period ended September 30, 2012 includes income tax adjustment for earlier year on account of shortfall / excess income tax arising out of assessments, appeals etc.

Accordingly, in Restated consolidated financial information, such income tax adjustment for earlier year of is Rs. 1.52 million has been appropriately adjusted in the respective year.

B.2.c) Provision for Tax

Provision for Tax has been recomputed to give tax effect on adjustments made as detailed above and has been adjusted in Restated consolidated financial information.

B.3 Material reclassifications

Appropriate adjustments have been made in the restated Consolidated Assets and Liabilities, Profits and Losses and Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the classification as per the audited financials of the Group for the period ended September 30, 2012 and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

C Notes to the restated consolidated assets and liabilities, profits and losses and cash flows for the half year ended Sep 30, 2012, and year ended March 31, 2012:

C.1 Statement of significant accounting policies

C.1.1 Basis of Preparation of Financial Statements

The restated consolidated assets and liabilities of Credit Analysis and Research Limited ("the Company") and CARE Kalypto Risk Technologies and Advisory Services Pvt Ltd (Kalypto) (collectively referred as "the Group") as at September 30, 2012 and March 31, 2012, and the related restated consolidated profits and losses and cash flows for the six months ended September 30, 2012 and year ended March 31, 2012 have been prepared specifically for the inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') in connection with its proposed Initial public offering.

The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under Accounting Standard (AS) 21 Consolidated Financial Statements' notified by Companies (Accounting Rules) 2006 (as amended). The consolidated financial statements have been prepared using uniform accounting policies. The financial statements of the Company and its subsidiary are consolidated on a line by line basis by cumulating the individual items of assets, liabilities, income and expenses after eliminating intra-group transactions.

The consolidated financial statements have been prepared under the historical cost convention on the accrual basis of accounting and in accordance with the Companies (Accounting Standards) Rules 2006, as amendment, issued by the Central Government and relevant provisions of the Companies Act, 1956 to the extent applicable. The accounting policies have been consistently followed by the Group.

C.1.2 Use of Estimates

The financial statements are prepared in accordance with generally accepted accounting principles (GAAP) in India which requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements which in management's opinion are prudent and reasonable. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

C.1.3. Revenue Recognition

a) <u>Income from operations</u>

<u>Credit Analysis and Research Limited</u>

Income from operations comprises income from initial rating and surveillance services and subscription to information services. Initial rating fee is recognized as income on assignment of rating by the Rating Committee. The company recognizes a portion of surveillance fees as income, commensurate with the efforts involved, on the date the surveillance activity is completed. The balance surveillance fee is recorded equally over the 12 months surveillance period which commences 1 year after the date of assigning a rating.

Fee for technical know-how is accounted for on accrual basis. Income on subscription to information services primarily pertains to sale of research reports and the income thereon is recognized on sale of such reports.

As a matter of prudent policy and on the basis of past experience of recoverability of income, fees in respect of certain defined categories of clients are recognised when there is a reasonable certainty of ultimate collection.

<u>CARE Kalypto Risk Technologies and Advisory Services Pvt Ltd</u>

<u>Revenue from fixed-price contracts includes following:</u>

<u>License fees, implementation and customization fees:</u>

License, Implementation and Customization fees are recognized on proportionate work completion basis as per the terms of the contract. Proportion of work completion is determined as a proportion of costs incurred to date to the total estimated cost to complete the contract. Provision for expected loss is recognized immediately when it is probable that the total estimated costs will exceed total contract value.

'Unbilled revenue' represents revenues in excess of amounts billed. These amounts are billed after the milestones specified are achieved as per the terms of the contract. 'Advance billing' represents billing in excess of revenues recognized. Warranty costs on sale of services are accrued based on management's estimates and historical data at the time related revenue are recorded.

<u>Annual maintenance contracts:</u>

Revenue from maintenance contracts is recognized over the term of maintenance.

b) Dividend on investments are recognised as income as and when the right to receive the same is established. Interest income is recognised on accrual basis.

Profit or loss on redemption / sale of investment is recognized on accrual basis on trade date of transaction.

C.1.4 Fixed Assets

Fixed assets are stated at cost less accumulated depreciation.

a. Intangible Assets: Cost for internally developed software assets are accumulated and capitalized when ready for use in case of our subsidiary company.

b. Tangible fixed assets are recorded at the cost including expenses up to commissioning /putting the asset into use are followed in our subsidiary company.

C.1.5 Depreciation

a. Depreciation is provided on straight-line method in the manner and at the rates prescribed in Schedule XIV of the Companies Act, 1956. Depreciation on assets added, sold or discarded during the year has been provided on a pro-rata basis.

b. Depreciation in case of the subsidiary company is provided on written down value method in the manner and at the rates prescribed in Schedule XIV of the Companies Act, 1956. except for leasehold improvements which are written off over the lease period.

c. Computer software is written off in the year of purchase.

d. Software development expenses are written off over a period of five years in our subsidiary company

e. Adjustments to the fixed assets of the subsidiary to bring in line with the accounting policy of the holding company at the time of consolidation is not done, since the same is not material.

C.1.6 Impairment of Asset

The impairment of assets is accounted in accordance with Accounting Standard 28 "Impairment of Assets". As asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss, if any, is charged to the statement of Profit & Loss to the extent carrying amount of asset exceeds their recoverable amount in the year in which an asset is identified as impaired.

C.1.7 Operating Leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by lessor are classified as operating leases. Payments made under operating leases are charged to the statement of Profit & Loss, on a straight line basis, over the lease term.

C.1.8 Investments

Investments are classified into current and long-term investments. Long-term investments are carried at cost. Provision for diminution, if any, is made if the decline in value is other than temporary in nature. Current investments are stated at lower of cost and fair value. Any reduction in fair value and reversals of such reduction are included in Statement of Profit & Loss.

C.1.9 Foreign Currency Translation

Foreign currency transactions are recorded, on initial recognition in the reporting currency, at the prevailing rates as at the date of such transactions.

Foreign currency monetary items are reported using the closing rates. Non-monetary items which are carried in terms of historical costs denominated in a foreign currency are reported using the exchange rate at the date of transaction.

Exchange differences, arising on settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expense in the year in which they arise.

C.1.10 Retirement Benefits

a) The Group provides retirement benefits to its employees in the form of Provident Fund, Superannuation and Gratuity.

b) Contribution to the Provident Fund is made at the prescribed rates to the Provident Fund Trust/Commissioner. Contribution to Provident Fund is charged to statement of Profit & Loss.

c) Superannuation benefit is contributed by the Company to Life Insurance Corporation of India (LIC) @ 10% of basic salary of the employees with respect to certain employees. Contribution to Superannuation Fund is charged to statement of Profit & Loss.

d) The Group accounts for the liability of future gratuity benefits based on independent actuarial valuation. The company has created a trust for future payment of gratuities which is funded through gratuity-cum-life insurance scheme of LIC of India (Defined Benefit Plan).

e) Long term compensated absences are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method except for Short term compensated absences which are provided for based on estimates.

f) Actuarial gain and losses are recognized immediately in the statement of Profit and Loss as income or expenses.

C.1.11 Accounting for taxes

<u>Current Tax</u>:

Current tax is provided on the taxable income in accordance with the provisions of the Income Tax Act, 1961.

<u>Deferred Tax</u>:

Deferred tax is accounted in accordance with the Accounting Standard 22 "Accounting for Taxes on Income" notified under the Companies (Accounting Standards) Rules 2006, as amended. The Deferred tax for the year on timing differences are accounted at tax rates that have been enacted by the Balance Sheet date.

Deferred Tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized. Deferred tax assets arising from the timing difference are recognized to the extent that there is reasonable certainty that sufficient future taxable income will be available.

C.1.12 Provisions and Contingent Liabilities

The Group creates a provision where there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

C.2 Notes to Accounts

C.2.1 Capital Commitments

Estimated amounts of contracts to be executed on capital account and not provided for in the accounts of the Company, net of advances, is Rs. 24.39 million as at September 30, 2012 and Rs. Nil as at March 31, 2012.

C.2.2 Contingent liabilities not provided for

(Rs. in Million)

Particulars	As at	
	Sep -2012	**Mar -2012**
Claims against the Company not acknowledged as debts	26.53	26.58

C.2.3 Employees benefit

Gratuity

As per Revised Accounting Standards – 15 "Employee Benefits" notified under the Companies (Accounting Standards) Rules 2006, as amended, the Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the respective plans.

Profit and Loss Account

Net employee benefit expenses

(Rs. in Million)

Gratuity	For the six month ended	For the year ended
	30-Sep-12	**31-Mar-12**
Current Service cost	1.86	2.79
Interest Cost	0.59	1.29
Expected return on Plan Assets	(0.67)	(0.76)
Actuarial (gain)/loss	0.03	(6.10)
Expense Recognised in P&L	1.80	(2.62)
Expense Not Recognised in P&L *	(1.54)	2.79
Actual Return on Plan Assets	0.62	1.48

Balance Sheet

(Rs. in Million)

Gratuity	As at	
	Sep-12	**Mar-12**
Liability at the end of the year (Obligation)	(15.08)	(13.89)
Fair Value of Plan Assets at the end of the year	21.96	16.88
Amount not recognised in Balance Sheet *	(1.25)	(2.79)
Amount Recognised in Balance Sheet	(5.64)	0.20

Table showing changes in Benefit Obligation

(Rs. in Million)

Particulars	As at	
	Sep-12	**Mar-12**
Liability at the beginning of the year	13.88	15.55
Interest Cost	0.59	1.29
Current Service Cost	1.86	2.79
Adjustment for acquisitions	-	1.14
Cost on account of Transitional Liability incurred during the period	-	-

Particulars	As at	
	Sep-12	Mar-12
Past Service Cost (Non Vested Benefit)	-	-
Past Service Cost (Vested Benefit)	-	
Benefit paid in the normal course	(1.22)	(1.50)
Actuarial (gain)/loss on obligations	(0.03)	(5.38)
Liability at the end of the year	15.08	13.89

Fair value of plan assets

(Rs. in Million)

Particulars	As at	
	Sep-12	Mar-12
Fair value of plan assets at beginning of year	16.88	9.56
Expected Return on Plan Assets	0.67	0.76
Contributions	5.70	7.34
Benefit paid	(1.22)	(1.50)
Actuarial (gain)/loss on obligations	(0.05)	0.72
Fair value of Plan Assets at the end of year	21.97	16.88

* As per actuarial valuation the net position is an asset, hence no additional provision for Gratuity is required to be made in statement of Profit & Loss.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Credit Analysis and Research Limited

Particulars	As at	
	Sep-12	Mar-12
Investment with insurer	100%	100%

CARE Kalypto Risk Technologies and Advisory Services Pvt Ltd- Non funded

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Assumptions**:**

Particulars	As at	
	Sep-12	Mar-12
Discount Rate Current	8.50%	8.50%
Salary Escalation Current	5-6%	5-6%
Attrition Rate Current Year	2-5%	2-5%

Leave Encashment

Particulars	As at	
	Sep-12	Mar-12
Method of Valuation	Project Unit Credit Method	
Retirement Age	60	60
Attrition Rate	2 %	2%
Future Salary Rise	5%	5%
Rate of Discounting	8.50%	8.50%
Mortality Table	LIC (1994-96) Ultimate	
Actuarial Value of Leave Encashment Liability (Rs. in Millions)	41.18	36.71

C.2.4 Operating lease

Various office premises under operating lease or leave and license agreements. These are generally non-cancelable and ranges between 11 months and 5 years under leave and license, or longer for the lease and are renewable by mutual consent on mutually agreeable terms. The Group has given refundable interest free security deposits under certain agreements.

(Rs. in Million)

Particulars	For the six month ended	For the year ended
	30-Sep-12	31-Mar-12
Rent recognized in Profit & Loss Account	6.64	13.24
Not later than one year	11.52	12.82
Later than one year and not later than five years	6.89	12.57
More than five years	Nil	Nil

C.2.5 Deferred Tax Assets / (Liabilities)

(Rs. in Million)

Particulars	As at	
	Sep-12	Mar-12
Deferred Tax Liabilities		
Depreciation	(54.58)	(44.62)
Subtotal (A)	**(54.58)**	**(44.62)**
Deferred Tax Assets		
Leave Encashment (Net of disallowance impact)	10.95	9.50
Gratuity	0.09	0.09
Subtotal (B)	**11.04**	**9.59**
Total (A+B)	**(43.54)**	**(35.03)**

C.2.6 Auditors Remuneration

(Rs. in Million)

Particulars	As at	
	Sep-12	Mar-12
Audit Fees	0.50	0.95
Tax Matters	0.13	0.10
Other including Certification	0.04	-
Total	**0.67**	**1.05**

Auditors Remuneration excludes service tax charges as the Group claims input credit.

C.2.7 Details of dues to Micro and Small Enterprises as per MSMED Act, 2006.

The Group did not owe any amount due to enterprises registered as micro, small or medium enterprise under the Micro, Small and Medium Enterprises Development Act, 2006 as at September 30,2012, March 31, 2012, The information regarding micro, small and medium enterprises has been determined on the basis of information available with management.

C.2.8 Related Party Transactions

Key Management Personnel ('KMP')

Name	Designation	Period
D.R. Dogra	Managing Director	From 22-08-2009 to 30-09-2012

Name	Designation	Period
D.R. Dogra	Dy. Managing Director	From 30-06-2008 to 21-08-2009
Rajesh Mokashi	Dy. Managing Director	From 22-08-2009 to 30-09-2012
P D Baburaj	Whole time Director and CEO in Kalypto	From November 2011 onwards
Shirish Atre	Whole time Director in Kalypto	From November 2011 onwards

Transactions with Related Parties

(Rs. in Million)

Particulars	For the six month ended	For the year ended
	30-Sep-12	31-Mar-12
Remuneration to KMP		
Mr. D. R. Dogra	5.60	13.19
Mr. Rajesh Mokashi	4.66	10.60
Mr. P D Baburaj	0.25	0.11
Ms Shirish Atre	0.44	0.12

Note:

The above managerial remuneration does not include perquisite value of shares allotted during the financial years 2008 to 2010 under the Employees' Stock Option Scheme of the Company.

Credit Analysis and Research Limited

Annexure - V Restated Statement of Consolidated Investments

(Rs. in Million)

	Particulars	As at	
		30-Sep-12	**31-Mar-12**
	Non Current Investments:		
A	**Quoted Investments**		
	Bonds of Public Sector Units	496.57	447.97
	Gold ETF's	111.58	71.55
	Government Securities	101.35	50.78
	Units of Fixed Maturity Plans of Debt Mutual Funds	185.03	290.03
		894.53	**860.33**
B	**Unquoted Investments**		
	Units of Equity Mutual Fund Schemes	156.49	94.60
		156.49	**94.60**
	Total Non Current Investments	**1,051.02**	**954.93**
	Current Investments:		
C	**Quoted Investments**		
	Units of Fixed Maturity Plans of Debt Mutual Funds	1,574.65	1,080.11
	Commercial Paper	407.94	496.56
		1,982.59	**1,576.67**
D	**Unquoted Investments**		
	Units of Open-ended Debt Mutual Fund Schemes	341.57	127.79
		341.57	**127.79**
	Total Current Investments	**2,324.16**	**1,704.46**
	Total Investments	**3,375.18**	**2,659.39**
	Aggregate book value of quoted investments	2,877.12	2,437.00
	Aggregate book value of unquoted investments	498.06	222.39
	Total	**3,375.18**	**2,659.39**
	Aggregate market value of quoted investments	**3,013.83**	**2,548.44**

Notes:

1 The above statement should be read with the notes to the restated consolidated assets and liabilities, profits and losses and cash flows as appearing in Annexure - IV

2 The figures disclosed above are based on the restated consolidated assets and liabilities of the Company.

Credit Analysis and Research Limited

Annexure - VI Restated Statement of Consolidated Trade Receivables

(Rs. in Million)

Particulars	**As at**	
	30-Sep-12	**31-Mar-12**
Trade Receivables (unsecured, considered good)		
Outstanding for a period exceeding six months	65.40	40.46
Others	462.89	119.24
Total	**528.29**	**159.70**
Considered Doubtful		
- Debts o/s for a period exceeding six months	6.27	3.66
	534.56	**163.36**
Less: Provision for bad and doubtful debts	6.27	3.66
Total	**528.29**	**159.70**
Trade Receivables includes amounts due from Relatives of Directors / Subsidiary Companies / Associate Companies	-	-

Notes:

1 The figures disclosed above are based on the restated consolidated assets and liabilities of the Company.

2 The above statement should be read with the notes to the restated consolidated assets and liabilities, profits and losses and cash flows as appearing in Annexure - IV.

3 List of persons/ entities classified as relatives of Directors has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

Credit Analysis and Research Limited

Annexure - VII Restated Statement of Consolidated Long Term Loans and Advances

(Rs. in Million)

Particulars	**As at**	
	30-Sep-12	**31-Mar-12**
Deposits	6.69	6.67
Capital Advances	18.16	-
Vehicle Loan to Employees	1.42	1.24
Accrued Interest on Loans to Employees	0.32	0.29
Other Loans and Advances:		
Prepaid Expenses	2.67	0.91
Advance payment of taxes (Net)	99.03	108.36
Total	**128.29**	**117.46**
Loans and Advances includes amounts due from Relatives of Directors / Subsidiary Companies / Associate Companies	-	-

Notes:

1 The figures disclosed above are based on the restated consolidated assets and liabilities of the Company.

2 The above statement should be read with the notes to the restated consolidated assets and liabilities, profits and losses and cash flows as appearing in Annexure - IV

3 List of persons/ entities classified as relatives of Directors has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

Credit Analysis and Research Limited

Annexure - VIII Restated Statement of Consolidated Other Non Current Assets

(Rs. in Million)

Particulars	As at	
	30-Sep-12	31-Mar-12
Interest Accrued on Investments	-	8.97
Gratuity	5.64	0.20
Total	**5.64**	**9.17**

NOTES:

1 The figures disclosed above are based on the restated consolidated assets and liabilities of the Company.

2 The above statement should be read with the notes to the restated consolidated assets and liabilities, profits and losses and cash flows as appearing in Annexure - IV

3 List of persons/ entities classified as relatives of Directors has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

Credit Analysis and Research Limited

Annexure - IX Restated Statement of Consolidated Short Term Loans and Advances

(Rs. in Million)

Particulars	As at	
	30-Sep-12	31-Mar-12
Deposit	-	-
Loans to Employees	1.28	1.13
Prepaid Expense	8.05	7.91
Advances recoverable in cash or in kind or for value to be received:		
Advance to Suppliers	1.42	1.57
Other Advances	4.32	2.12
Total	**15.07**	**12.73**
Loans and Advances includes amounts due from Relatives of Directors / Subsidiary Companies / Associate Companies	-	-

NOTES:

1 The figures disclosed above are based on the restated consolidated assets and liabilities of the Company.

2 The above statement should be read with the notes to the restated consolidated assets and liabilities, profits and losses and cash flows as appearing in Annexure - IV

3 List of persons/ entities classified as relatives of Directors has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

Credit Analysis and Research Limited

Annexure - X Restated Statement of Consolidated Other Current Assets

(Rs. in Million)

Particulars	As at	
	30-Sep-12	**31-Mar-12**
Interest Accrued on Investments	51.19	68.99
Unbilled Revenue	5.46	3.24
Accrued Interest on Loans to Employees	0.02	0.01
Total	**56.67**	**72.24**

NOTES:

1 The figures disclosed above are based on the restated consolidated assets and liabilities of the Company.

2 The above statement should be read with the notes to the restated consolidated assets and liabilities, profits and losses and cash flows as appearing in Annexure - IV

3 List of persons/ entities classified as relatives of Directors has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

Credit Analysis and Research Limited

Annexure - XI Restated Statement of Consolidated Income from Operations

(Rs. in Million)

Particulars	For the six month ended	For the year ended
	30-Sep-12	**31-Mar-12**
Rating Income (including Surveillance)	898.28	1,877.57
Fee for Technical Know-how Services	-	1.74
Sale of Publications / Information Services	0.67	10.51
License Fees and Implementation Fees (including AMC)	13.19	14.97
Total	**912.14**	**1,904.79**

NOTES:

1 The figures disclosed above are based on the restated consolidated profits and losses of the Company.

2 The above statement should be read with the notes to the restated consolidated assets and liabilities, profits and losses and cash flows as appearing in Annexure – IV.

Credit Analysis and Research Limited

Annexure - XII Restated Statement of Consolidated Other Income

(Rs. in Million)

Particulars	For the six month ended 30-Sep-12	For the year ended 31-Mar-12	Recurring / Non Recurring	Related / Not related
Interest on investments:				
On long term investment	22.29	84.74	Recurring	Not Related
On short term investment	42.52	16.91	Recurring	Not Related
Others	0.14	1.71	Non Recurring	Not Related
Dividend on Investments:				
On long term investments	1.89	1.53	Recurring	Not Related
On short term investment	8.61	31.61	Recurring	Not Related
Profit/(Loss) on Redemption/Sale of investments (Net)	51.03	145.41	Recurring	Not Related
Foreign Gain	1.05	1. 19	Non Recurring	Not Related
Miscellaneous Income	0.07	0.06	Non Recurring	Not Related
Total	**127.60**	**283.16**		

NOTES:

1 The classification of other income as recurring/non-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management

2 The figures disclosed above are based on the restated consolidated profits and losses of the Company.

3 The above statement should be read with the notes to the restated consolidated assets and liabilities, profits and losses and cash flows as appearing in Annexure - IV

Credit Analysis and Research Limited

Annexure - XIII Restated Summary of Consolidated Dividend

(Rs. in Million)

Particulars	**For the six month ended**	**For the year ended**
	30-Sep-12	**31-Mar-12**
Dividend on equity shares		
Dividend in %		
- Interim	-	100%
- Final	-	-
Proposed Dividend	-	-
Interim Dividend	-	285.53
Dividend Tax	-	46.32

NOTES:

1 Face Value of the shares is Rs. 10 per equity share

2 The above statement should be read with the notes to the restated consolidated assets and liabilities, profits and losses and cash flows as appearing in Annexure - IV

Credit Analysis and Research Limited

Annexure - XIV

Restated Statement of Consolidated Accounting Ratios

(Rs. in Million expect per share data)

Particulars		**For the six month ended**	**For the year ended**
		30-Sep-12	**31-Mar-12**
Net Profit after Tax, as Restated	A	497.75	1,157.69
Total number of shares outstanding at the end of the year	B	28,552,812	28,552,812
Weighted average number of equity Shares outstanding during the year (including bonus shares)	C	28,552,812	28,552,812
Weighted average number of diluted equity shares outstanding during the year (including bonus shares)	D	28,552,812	28,552,812
Basic Earnings per share (Rs.)	A/C	17.43*	40.55
Diluted Earnings per share (Rs.)	A/D	17.43*	40.55
Return on Net-worth (%)		11.67%*	30.72%
Net asset value per equity		149.41*	131.98

* not annualised.

1. The Ratios have been computed as below:

a) Basic Earnings per share before adjusting exceptional item (Rs) = $\dfrac{\text{Net profit after tax (as restated)}}{\text{Weighted average number of equity shares outstanding during the year (including bonus shares)}}$

b) Diluted Earnings per share before adjusting exceptional item (Rs) = $\dfrac{\text{Net profit after tax (as restated)}}{\text{Weighted average number of diluted equity shares outstanding during the year (including bonus shares)}}$

c) Return on net worth (%) = $\dfrac{\text{Net profit after tax (as restated)}}{\text{Net worth at the end of the year}}$

d) Net asset value per share (Rs) = $\dfrac{\text{Net worth at the end of the year (as restated)}}{\text{Total number of equity shares outstanding at the end of the year}}$

2. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year

3. Net worth = Equity share capital + Reserves and surplus (including Capital Redemption Reserve, Securities Premium, General Reserve, surplus in Profit and Loss Account and Employee Stock Option outstanding) + Share Application Money

4. Earnings per share calculations are in accordance with Accounting Standard 20 - Earnings per share, notified under the Companies (Accounting Standards) Rules 2006, as amended. As per AS20, in case of bonus shares, the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. During the year ended March 31, 2012 and March 31, 2010, Company issued bonus shares, in the ratio of 2 shares for every 1 share held and 18 share for every 100 share held respectively, to the existing shareholders by the way of capitalisation of general reserve which has been approved at the Board Meeting. Weighted average number of equity shares outstanding during all the previous years have been considered accordingly.

5. The above statement should be read with the notes to restated consolidated assets and liabilities, profits and losses and cash flows as appearing in Annexure IV

6. The figures / ratios disclosed above are based on Consolidated financials of the Company

Auditors' Report as required by Part II of Schedule II of the Companies Act, 1956

To
The Board of Directors
Credit Analysis & Research Limited
4th Floor, Godrej Coliseum
Somaiya Hospital Road
Sion (East)
Mumbai – 400 022

Dear Sirs,

1. We have examined the Restated Unconsolidated Financial Information ('Restated Unconsolidated Financial Information') of Credit Analysis & Research Limited ('CARE' or 'the Company') annexed to this report as at and for the years ended March 31, 2008, 2009, 2010, 2011, 2012 and as at and for the six months period ended September 30, 2012 for the purposes of inclusion in the offer document, stamped and initialled by us for identification, and as prepared by the Company in connection with its proposed Initial Public Offer through Offer for Sale ('IPO').

2. This Restated Unconsolidated Financial Information, approved by the Board of Directors of the Company, has been prepared by the management in accordance with:

   a) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act');

   b) The Securities and Exchange Board of India ('SEBI') (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('the SEBI Regulations'), as amended from time to time, issued by SEBI in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments;

3. We have examined the Restated Unconsolidated Financial Information in accordance with:

   a) The terms of reference received from the Company vide their letter dated October 11, 2012 requesting us to carry out work on such Financial Information, proposed to be included in the offer document of the Company in connection with its proposed IPO;

   b) The (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India ('the Guidance Note').

4. The Restated Unconsolidated Financial Information as at and for the years ended March 31, 2008, 2009, 2010, 2011 have been extracted by the management from the Unconsolidated Financial Statements audited by M/s Om Prakash Chaplot & Co. Chartered Accountants. We have not carried out any audit tests or review procedures on the Financial Statements of the Company for the years ended March 31, 2008, 2009, 2010 and 2011, hence the Financial Information included for such years are solely based on the audit report submitted by previous auditors for relevant years ('the Previous Auditors' Reports'). We make no representation/ opinion regarding those Audited Unconsolidated Financial Statements.

   We have only verified the impact, if any, of retrospective adjustments on account of presentation as per Revised Schedule VI to the Companies Act, 1956, changes in significant accounting policies and estimates, prior period items and regroupings for these years.

   The Restated Unconsolidated Financial Information as at and for the year ended March 31, 2012 and as at and for the six months period ended September 30, 2012 have been extracted by the management from the Unconsolidated Financial Statements audited by us.

5. Based on our examination and the reliance placed on the Previous Auditors' Reports, as referred to in paragraph 4 above, we state that:

a) The Restated Unconsolidated Assets and Liabilities of the Company as at March 31, 2008, 2009, 2010, 2011, 2012 and as at September 30, 2012 are as set out in Annexure I to this report. These statements have been arrived at after making such adjustments and regroupings as in our opinion are appropriate and more fully described in the notes appearing in Annexure IV to this report

b) The Restated Unconsolidated Profits and Losses of the Company for the financial years ended March 31, 2008, 2009, 2010, 2011, 2012 and for the six months period ended September 30, 2012 are as set out in Annexure II to this report. These profits have been arrived at after making such adjustments and regrouping as in our opinion are appropriate and more fully described in the notes appearing in Annexure IV to this report

c) The Restated Unconsolidated Cash Flows of the Company for the financial years ended March 31, 2008, 2009, 2010, 2011, 2012 and for the six months period ended September 30, 2012 are as set out in Annexure III to this report. These cash flows have been arrived at after making such adjustments and regrouping as in our opinion are appropriate and more fully described in the notes appearing in Annexure IV to this report

6. We have also examined the following other Unconsolidated Financial Information set-out in Annexures prepared by the management and approved by the Board of Directors relating to the Company as at and for the five years ended March 31, 2008, 2009, 2010, 2011, 2012 and as at and for six months period ended September 30, 2012:

a) Statement of Unconsolidated Investments, as restated, enclosed as Annexure V

b) Statement of Unconsolidated Trade Receivables, as restated, enclosed as Annexure VI

c) Statement of Unconsolidated Long Term Loans and Advances, as restated, enclosed as Annexure VII

d) Statement of Unconsolidated Other Non Current Assets, as restated, enclosed as Annexure VIII

e) Statement of Unconsolidated Short Term Loans and Advances, as restated, enclosed as Annexure IX

f) Statement of Unconsolidated Other Current Assets, as restated, enclosed as Annexure X

g) Statement of Unconsolidated Income from Operations, as restated, enclosed as Annexure XI

h) Statement of Unconsolidated Other Income, as restated, enclosed as Annexure XII

i) Statement of Unconsolidated Dividend, as restated, enclosed as Annexure XIII

j) Statement of Unconsolidated Accounting Ratios, as restated, enclosed as Annexure XIV

k) Statement of Unconsolidated Capitalisation, enclosed as Annexure XV

l) Statement of Unconsolidated Tax Shelters, enclosed as Annexure XVI

Based on our examination and the reliance placed on the Previous Auditors' Reports, as referred to in paragraph 4 above, we state that, the 'Other Restated Unconsolidated Financial Information' as disclosed in the Annexures to this report as referred to above, read with respective Significant Accounting Policies and Notes to Restated Unconsolidated Financial Information as set out in Annexure IV, and prepared after making the adjustments and regrouping as considered appropriate, have been prepared in accordance with Paragraph B (1) of Part II of Schedule II of the Act and the SEBI Regulations.

7. We have not audited any financial statements of the Company as of any date or for any period subsequent to September 30, 2012. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to September 30, 2012.

8. This report should not be in any way construed as a reissuance or re-dating of any of the Previous Auditors Reports issued by other firm of Chartered Accountants nor should this report be construed as a new opinion on any of the Financial Statements referred to herein.

9. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Our report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed IPO and should not be used for any other purpose whatsoever except with our prior written consent.

For Khimji Kunverji & Co.
Chartered Accountants
Firm Registration No.105146W

Sd/-
Gautam V Shah
Partner (F –117348)

Place: Mumbai
Date: October 21, 2012

Credit Analysis and Research Limited

Annexure - I Restated Unconsolidated Assets and Liabilities

(Rs. in Million)

	Particulars	As at					
		30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
	Non Current Assets						
	Fixed Assets						
	Tangible Assets	477.38	483.41	420.52	278.24	179.22	103.16
	Total Fixed Assets	**477.38**	**483.41**	**420.52**	**278.24**	**179.22**	**103.16**
	Non Current Investments	1,140.42	1,044.33	529.52	1,171.35	155.00	392.96
	Long Term Loans and Advances	125.19	114.80	72.35	76.35	49.01	33.10
	Other Non Current Assets	7.04	10.31	53.88	56.25	51.15	1.63
A	**Total Non Current Assets**	**1,750.03**	**1,652.85**	**1,076.27**	**1,582.19**	**434.38**	**530.85**
	Current Assets						
	Current Investments	2,324.16	1,704.46	2,056.95	688.92	1,016.52	391.02
	Trade Receivables	524.84	156.26	123.27	67.61	53.81	52.96
	Cash and Bank Balances	272.10	685.99	85.19	94.47	58.89	46.52
	Short Term Loans and Advances	14.53	11.97	4.37	8.36	2.85	2.73
	Other Current Assets	51.21	68.99	11.29	1.75	11.37	6.79
B	**Total Current Assets**	**3,186.84**	**2,627.67**	**2,281.07**	**861.11**	**1,143.44**	**500.02**
	Non Current Liabilities						
	Deferred Tax Liability (Net)	43.54	35.03	28.34	21.52	18.98	18.56
	Long term provisions	36.62	22.75	18.84	11.61	13.06	8.46
C	**Total Non Current Liabilities**	**80.16**	**57.78**	**47.18**	**33.13**	**32.04**	**27.02**
	Current Liabilities						
	Other Current Liabilities	545.43	384.05	234.56	176.39	147.49	124.12
	Short Term Provisions	43.08	70.99	133.07	98.83	63.73	47.09
D	**Total Current Liabilities**	**588.51**	**455.04**	**367.63**	**275.22**	**211.22**	**171.21**
	Net worth (A+B-C-D)	**4,268.20**	**3,767.70**	**2,942.53**	**2,134.95**	**1,334.56**	**832.64**
	Net worth represented by:						
	Shareholders' Funds						
E	Share Capital	285.53	285.53	95.18	95.18	77.75	77.75
F	Share Application Money	-	-	-	-	10.12	-
G	**Reserves and Surplus**						
	General Reserves	1,037.14	1,037.14	1,107.49	907.49	722.00	622.00
	Securities Premium	20.11	20.11	20.11	20.11	-	-
	Capital Redemption Reserves	2.25	2.25	2.25	2.25	2.25	2.25
	Emloyees' Stock Option Outstanding	-	-	-	-	13.77	9.18
	Profit and Loss Account	2,923.17	2,422.67	1,717.50	1,109.92	508.67	121.46
	Total Reserves and Surplus	**3,982.67**	**3,482.17**	**2,847.35**	**2,039.77**	**1,246.69**	**754.89**
	Net worth (E+F+G)	**4,268.20**	**3,767.70**	**2,942.53**	**2,134.95**	**1,334.56**	**832.64**

NOTES:

The above statement should be read with the notes to the restated unconsolidated assets and liabilities, profits and losses and cash flows as appearing in Annexure - IV

For **Khimji Kunverji & Co.**
Chartered Accountants
Firm Registration No. 105146W

Sd/-
Gautam V Shah
Partner (F –117348)

Place: Mumbai
Date: October 21, 2012

Credit Analysis and Research Limited

Annexure - II Restated Unconsolidated Profits and Losses

(Rs. in Million)

	Particulars	For the six month ended	For the year ended				
		30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
A	**Income**						
	Revenue From Operations	898.95	1,889.82	1,664.96	1,362.03	941.73	519.70
	Other Income	126.43	282.11	57.59	158.23	57.58	29.41
	Total Income	**1,025.38**	**2,171.93**	**1,722.55**	**1,520.26**	**999.31**	**549.11**
B	**Expenditure**						
	Employee Benefits Expense	235.59	410.68	307.91	215.70	152.64	106.63
	Other Expenses	71.33	126.52	99.02	67.93	59.04	38.36
	Depreciation	16.03	18.81	22.10	14.04	7.63	5.98
	Impairment of Fixed Assets	-	-	-	(0.01)	2.27	-
	Total Expenses	**322.95**	**556.01**	**429.03**	**297.66**	**221.58**	**150.97**
C	**Restated Profit before Tax (A-B)**	**702.43**	**1,615.92**	**1,293.52**	**1,222.60**	**777.73**	**398.14**
	Current Tax	193.43	452.21	407.21	363.16	251.60	131.16
	Fringe Benefit Tax	-	-	-	-	1.72	1.17
	Deferred Tax Expense	8.51	6.69	6.82	2.54	0.42	(1.04)
D	**Total Tax Expense**	**201.94**	**458.90**	**414.03**	**365.70**	**253.74**	**131.29**
E	**Restated Profit after Tax (C - D)**	**500.49**	**1,157.02**	**879.49**	**856.90**	**523.99**	**266.85**

NOTES:

The above statement should be read with the notes to the restated unconsolidated assets and liabilities, profits and losses and cash flows as appearing in Annexure - IV

For **Khimji Kunverji & Co.**
Chartered Accountants
Firm Registration No. 105146W

Sd/-
Gautam V Shah
Partner (F –117348)

Place: Mumbai
Date: October 21, 2012

Credit Analysis and Research Limited

Annexure - III Restated Unconsolidated Cash Flows

(Rs. in Million)

	Particulars	For the six month ended	For the year ended				
		30- Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
A	**Cash flows from/ (used in) Operating Activities**						
	Net Profit before Tax (as Restated)	702.43	1,615.92	1,293.52	1,222.60	777.73	398.14
	Adjustments for:						
	Income from Investment	(126.40)	(281.92)	(56.66)	(156.73)	(52.81)	(28.88)
	Provision for Leave Encashment	4.47	9.34	4.94	6.80	3.97	4.88
	Unrealized Foreign Exchange Loss	-	0.01	-	-	-	-
	Provision for ESOP Expense	-	-	-	-	4.59	6.89
	Provision for Gratuity	-	-	6.80	(2.43)	2.36	(1.04)
	Provision for Bad Debts	2.61	-	-	-	-	-
	Loss/(Profit) on Sale of Fixed Assets	0.86	-	0.72	1.34	1.67	0.14
	Depreciation & Impairment	16.03	18.81	22.10	14.03	9.90	5.98
	Operating Profit before Working Capital changes (as Restated)	**600.00**	**1,362.16**	**1,271.42**	**1,085.61**	**747.41**	**386.11**
	Movement in Working Capital						
	Decrease/(Increase) in Trade Receivables	(371.18)	(33.00)	(55.67)	(13.78)	(0.83)	(35.16)
	Decrease/(Increase) in Loans and Advances / Other Current Assets	(28.40)	(8.80)	(1.64)	4.50	(7.63)	(1.54)
	Increase/(Decrease) in Unearned Revenue	75.77	111.45	43.72	17.70	32.15	2.53
	Increase/(Decrease) in Trade Payables / Other Liabilities	67.09	42.45	25.96	26.22	2.55	92.33
	Cash flow from Operations	**(256.72)**	**112.10**	**12.37**	**34.64**	**26.24**	**58.16**
	Direct Taxes Paid	(183.68)	(494.79)	(429.29)	(372.43)	(268.83)	(136.39)
	Net cash generated from Operating Activities, as Restated	**159.60**	**979.47**	**854.50**	**747.82**	**504.82**	**307.88**
B	**Cash flows from Financing Activities**						
	Share application money received / (refunded)	-	-	-	(1.11)	10.12	-
	Increase in Share Capital	-	-	-	0.24	-	-
	Dividend and Dividend Tax Paid	-	(403.75)	(55.64)	(36.77)	(31.83)	(31.84)
	Net cash used in Financing Activities, as Restated	**-**	**(403.75)**	**(55.64)**	**(37.64)**	**(21.71)**	**(31.84)**
C	**Cash flows from/ (used in) Investing Activities**						
	Income from Investments	153.16	219.11	56.66	156.73	52.81	28.88
	Investment in Subsidiary	-	(89.40)	-	-	-	-
	Proceeds from Sale of Fixed	0.50	-	0.50	0.66	3.18	0.29

	Particulars	For the six month ended	For the year ended				
		30- Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
	Assets						
	Purchase of Fixed Assets (including Capital Work in Progress)	(11.36)	(81.70)	(139.11)	(143.23)	(90.80)	(6.69)
	Purchase of Long term investments	(2,433.59)	(4,533.53)	(2,078.95)	(3,274.05)	(1,463.62)	(880.26)
	Proceeds from Sale of Investments	1,717.80	4,510.60	1,352.76	2,585.29	1,027.69	619.06
	Net cash used in Investing Activities, as Restated	**(573.49)**	**25.08**	**(808.14)**	**(674.60)**	**(470.74)**	**(238.72)**
	Total Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	**(413.89)**	**600.80**	**(9.28)**	**35.58**	**12.37**	**37.32**
	Cash and Cash Equivalents at the Beginning of the year, as Restated	**685.99**	**85.19**	**94.47**	**58.89**	**46.52**	**9.20**
	Cash and Cash Equivalents at the End of the year, as Restated	**272.10**	**685.99**	**85.19**	**94.47**	**58.89**	**46.52**

NOTES:

1. Figures in bracket indicate cash outflow
2. The above statement should be read with the notes to the restated unconsolidated assets and liabilities, profits and losses and cash flows as appearing in Annexure - IV

For **Khimji Kunverji & Co.**
Chartered Accountants
Firm Registration No. - 105146W

Sd/-
Gautam V Shah
Partner (F –117348)

Place: Mumbai
Date: October 21, 2012

Annexure - IV

Notes to the Restated Unconsolidated Assets and Liabilities, Profits and Losses and Cash Flow

A. 1 Table highlighting Material Adjustment

The summary of results of material restatement made in the audited financial statements for the respective years and its impact on the profit of the Company is as follows:

(Rs. in Million)

Particulars	Notes	For the Six month ended	For the year ended				
		30-Sept-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Profit after Tax as per Audited Financial Statements		**498.97**	**1,075.43**	**909.57**	**871.87**	**553.74**	**266.51**
Change in Revenue recognition policy of Surveillance Income	B(1)	-	109.07	(43.72)	(17.70)	(32.15)	(2.53)
Change in depreciation estimates with respect to Computer Software	B(2)	-	-	-	-	1.25	(0.49)
Inter-head Adjustments due to re-grouping of expenses							
Operating and Other Expenses	B(3)(a)	-	-	-	0.34	(1.56)	(1.04)
Payment to and Provision for Employees	B(3)(a)	-		-	(0.34)	1.56	1.04
Other Adjustments							
Payment to and Provision for Employees with respect to ESOP	B(3)(b)	-	-	-	-	(4.59)	(7.53)
Provision for Gratuity	B(3)(c)	-	-	-	-	(0.27)	1.31
Prior period adjustments with respect to accounting of LTA	B(3)(d)	-	11.74	(2.86)	(2.86)	(2.35)	(1.37)
Prior period adjustments with respect to accounting of income	B(3)(d)	-		(0.93)	0.93	-	-
Tax Related Adjustments							
Deferred Tax Adjustment	B(3)(e)	-	-	(0.30)	(2.21)	(0.09)	12.03
Income tax adjustment for earlier years	B(3)(f)	1.52	-	(0.08)	-	0.01	(1.48)
Provision for Tax	B(3)(g)	-	(39.22)	17.80	6.87	8.44	0.40
Total Tax Related Adjustments		**1.52**	**(39.22)**	**17.42**	**4.63**	**8.36**	**10.95**
Restated Profit after Tax		**500.49**	**1,157.02**	**879.49**	**856.90**	**523.99**	**266.85**

A.2 During the year ended March 31, 2012, the Revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of Revised Schedule VI of the Companies Act, 1956 does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

Changes in Accounting Policy

B.1 The Company has changed its revenue recognition policy for surveillance fees from the year ended March 31, 2012, which was hitherto recognized in full in the year in which it became due. The management has estimated a portion of surveillance fees to be recognized as income, commensurate with the efforts involved on the date the surveillance activity is completed. The balance surveillance fee is recorded equally over the 12 months surveillance period which commences 1 year after the date of assigning rating.

Surveillance fees relating to earlier years have been restated as per revised policy.

B.2 Changes in Accounting Estimates

Change in estimated useful life of Computer Software

During the year ended March 31, 2009, the Company has changed its policy of depreciating Computer Software over its useful life of six years to depreciating it fully in the year of purchase.

Accordingly, in Restated Financial Information, the depreciation figures appearing in the audited financial statements for the year ended March 31, 2008 have been restated to provide impact in each of the respective financial years due to the change in said estimate. Accordingly, the net block of fixed assets has decreased and accumulated depreciation has increased for the financial year ended March 31, 2008 by Rs. 0.49 million.

B.3 Other Adjustments

B.3.a) Inter-head Adjustments

In audited financial statements for the financial year ended March 31, 2011, training expenses has been grouped under Operating and Other Expenses, which was earlier grouped under "Payment to and Provision for Employees".

Accordingly, in Restated Financial Information, training expenses have been grouped with Operating and Other Expenses for the years ended March 31, 2008, 2009 and 2010 amounting to Rs.1.04 million, Rs.1.56 million and Rs.0.34 million respectively.

B.3.b) ESOP Adjustments

The Company instituted an Employees' Stock Option Scheme, 2006 ('ESOS') to grant 727,500 options to be vested in two equal tranches. In the year of grant i.e. financial year ended March 31, 2007, the Company has accounted for Employee Stock Compensation cost pertaining to options aggregating Rs.31.36 million at fair value of the option on the date of grant. Subsequently, 1st tranche of options got vested on December 01, 2008 and 2nd tranche of options got cancelled during the financial year ended March 31, 2010 after obtaining consent of all employees. On cancellation, Employee Stock Compensation cost pertaining to 2nd tranche aggregating Rs.15.68 million credited to Reserves and Surplus. The said accounting for Employee Stock Compensation cost was not in accordance with the Guidance Note on "Accounting for Employee Share-based Payments" issued by the Institute of Chartered Accountants of India (ICAI) which provides for amortising of the Employees Stock Compensation cost over the vesting period.

Accordingly, in Restated Financial Information, Employee Stock Compensation cost (net of options lapsed) pertaining to 1st tranche aggregating Rs.13.77 million has been amortized proportionately over vesting period i.e. December 01, 2006 to December 01, 2008 and pertaining to 2nd tranche aggregating Rs.15.68 million has been reversed from "Payment to and provision for employees" for financial year ended March 31, 2007 and debited for Reserves and Surplus for the financial year ended March 31, 2010.

B.3.c) Provision of Gratuity

In the financial year ended March 31, 2009, the Company has adopted Revised Accounting Standard – 15 "Employee Benefits" (AS-15R) notified under the Companies (Accounting Standards) Rules 2006, as amended.

Accordingly, in Restated Financial Information, provision for gratuity for financial year ended March 31, 2008 has been recomputed as per AS-15R and consequently the adjustment has been made for gratuity expense in the respective year.

B.3.d) Prior Period Items

In the audited financial statements for the year ended March 31, 2012, the company has provided Leave Travel Allowance to employees aggregating to Rs. 11.74 million pertaining to earlier years.

Accordingly, in Restated Financial Information, such prior period Leave Travel Allowance has been appropriately adjusted for the years ended March 31, 2011, 2010, 2009 and 2008. by Rs 2.86 million, Rs 2.86 million, Rs 2.53 million and Rs 1.37 million respectively.

In the audited financial statements for the year ended March 31, 2011, certain items of income have been identified as prior period income aggregating to Rs.0.93 million pertaining to financial year ended March 31, 2010.

Accordingly, in Restated Financial Information, such prior period income has been appropriately adjusted in the respective year.

B.3.e) Deferred Tax

In Restated Financial Information, Deferred Tax has been recomputed for the years ended March 31, 2008, 2009, 2010, 2011 and 2012 to give effect of restatement on account of provision for gratuity, change in depreciation estimate with respect to computer software, leave encashment adjustments and expenses disallowed.

B.3.f) Income tax adjustments for earlier years

The Audited Financial Statements for the period ended September 30, 2012 and years ended March 31, 2008, 2009 and 2011 includes income tax adjustment for earlier years on account of shortfall / excess income tax arising out of assessments, appeals etc.

Accordingly, in Restated Financial Information, income tax adjustments for the period ended September 30, 2012 is Rs. 1.52 million and for the financial years ended March 31, 2011, 2009 and 2008 the income tax adjustment aggregates to Rs.0.08 million, Rs.0.01 million and Rs.1.48 million respectively have been accounted.

B.3.g) Provision for Tax

Provision for Tax has been recomputed to give tax effect on adjustments made as detailed above and has been adjusted in Restated Financial Information.

B.4 Material reclassifications

Appropriate adjustments have been made in the restated summary statements of Assets and Liabilities, Profits and Losses and Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the classification as per the audited financials of the Company for the period ended September 30, 2012 and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

C Notes to the restated summary statements of assets and liabilities, profits and losses and cash flows for the period ended September 30, 2012 and the years ended March 31, 2008, 2009, 2010, 2011 and 2012:

C.1 Statement of significant accounting policies

C.1.1 Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention on the accrual basis of accounting and in accordance with the Companies (Accounting Standards) Rules 2006, as amendment, issued by the Central Government and relevant provisions of the Companies Act, 1956 to the extent applicable. The accounting policies have been consistently followed by the Company.

C.1.2 Use of Estimates

The financial statements are prepared in accordance with generally accepted accounting principles (GAAP) in India which requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and disclosure of contingent liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements which in management's opinion are prudent and reasonable. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

C.1.3. Revenue Recognition

a) Income from operations comprises income from initial rating and surveillance services and subscription to information services. Initial rating fee is recognized as income on assignment of rating by the Rating Committee. The company recognizes a portion of surveillance fees as income, commensurate with the efforts involved, on the date the surveillance activity is completed. The balance surveillance fee is recorded equally over the 12 months surveillance period which commences 1 year after the date of assigning a rating.

Fee for technical know-how is accounted for on accrual basis. Income on subscription to information services primarily pertains to sale of research reports and the income thereon is recognized on sale of such reports.

As a matter of prudent policy and on the basis of past experience of recoverability of income, fees in respect of certain defined categories of clients are recognised when there is a reasonable certainty of ultimate collection.

b) Dividend on investments are recognised as income as and when the right to receive the same is established. Interest income is recognised on accrual basis.

Profit or loss on redemption / sale of investment is recognized on accrual basis on trade date of transaction.

C.1.4 Fixed Assets

Fixed assets are stated at cost less accumulated depreciation.

C.1.5 Depreciation

Depreciation for assets other than computer software is provided on straight-line method in the manner and at the rates prescribed in Schedule XIV of the Companies Act, 1956. Depreciation on assets added, sold or discarded during the year has been provided on a pro-rata basis. Computer software is depreciated fully in the year of purchase.

C.1.6 Impairment of Asset

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. The recoverable amount is the greater of the asset's net selling price and value in use. An impairment loss, if any, is charged to the Statement of Profit & Loss to the extent carrying amount of asset exceeds their recoverable amount in the year in which an asset is identified as impaired.

C.1.7 Operating Leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit & Loss, on a straight line basis, over the lease term.

C.1.8 Investments

Investments are classified into current and long-term investments. Long-term investments are carried at cost. Provision for diminution, if any, is made if the decline in value is other than temporary in nature. Current investments are stated at lower of cost and fair value. Any reduction in fair value and reversals of such reduction are included in Statement of Profit & Loss.

C.1.9 Foreign Currency Translation

Foreign currency transactions are recorded, on initial recognition in the reporting currency, at the prevailing rates as at the date of such transactions.

Foreign currency monetary items are reported using the closing rates. Non-monetary items which are carried in terms of historical costs denominated in a foreign currency are reported using the exchange rate at the date of transaction.

Exchange differences, arising on settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expense in the year in which they arise.

C.1.10 Retirement Benefits

a) The Company provides retirement benefits to its employees in the form of Provident Fund, Superannuation and Gratuity.

b) Contribution to the Provident Fund is made at the prescribed rates to the Provident Fund Trust / Commissioner. Contribution to Provident Fund is charged to Statement of Profit & Loss.

c) Superannuation benefit is contributed by the Company to Life Insurance Corporation of India (LIC) @ 10% of basic salary of the employees with respect to certain employees. Contribution to Superannuation Fund is charged to Statement of Profit & Loss.

d) Company accounts for the liability of future gratuity benefits based on actuarial valuation. The company has created a trust for future payment of gratuities which is funded through gratuity-cum-life insurance scheme of LIC of India (Defined Benefit Plan)

e) Long term compensated absences are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method except for Short term compensated absences which are provided for based on estimates.

f) Actuarial gain and losses are recognized immediately in the statement of Profit and Loss as income or expenses.

C.1.11 Accounting for taxes

Current Tax:

Current tax is provided on the taxable income in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax:

The Deferred tax is accounted in accordance with the Accounting Standard 22 "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India. The Deferred tax for the year on timing differences are accounted at tax rates that have been enacted by the Balance Sheet date.

Deferred tax assets arising from the timing difference are recognized to the extent that there is reasonable certainty that sufficient future taxable income will be available.

C.1.12 Provisions and Contingent Liabilities

The Company creates a provision where there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

C.2 Notes to Accounts

C.2.1 Capital Commitments

Estimated amounts of contracts to be executed on capital account and not provided for in the accounts of the Company, net of advances, is Rs. 24.39 million as at September 30, 2012, Rs. Nil as at March 31, 2012, Rs.1.25 million as at March 31, 2011 and Rs. Nil as at March 31, 2010, March 31, 2009, and March 31, 2008.

C.2.2 Contingent liabilities not provided for

(Rs. in Million)

Particulars	As at					
	Sep -2012	Mar -2012	Mar -2011	Mar -2010	Mar -2009	Mar -2008
Claims against the Company not acknowledged as debts	26.53	26.58	12.58	-	0.37	0.37

C.2.3 Employees benefit

Gratuity

As per Revised Accounting Standards – 15 "Employee Benefits" notified under the Companies (Accounting Standards) Rules 2006, as amended, the Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the respective plans.

Profit and Loss Account

Net employee benefit expenses

(Rs. in Million)

Gratuity	As at					
	Sep - 2012	Mar - 2012	Mar - 2011	Mar - 2010	Mar - 2009	Mar - 2008
Current Service cost	1.59	2.79	2.96	2.44	1.19	0.62
Interest Cost	0.54	1.29	0.64	0.61	0.32	0.21
Expected return on Plan Assets	(0.67)	(0.76)	(0.71)	0.66	0.29	(0.18)
Actuarial (gain)/loss	0.08	6.09	0.25	(0.26)	1.17	(0.24)
Expense Recognised in P&L	1.54	(2.80)	6.80	2.12	2.36	0.54
Expense Not Recognised in P&L *	(1.54)	2.80	-	-	-	-
Actual Return on Plan Assets	0.62	1.48	0.73	0.51	0.33	0.32

Balance Sheet

(Rs. in Million)

Gratuity	As at					
	Sep - 2012	Mar - 2012	Mar - 2011	Mar - 2010	Mar - 2009	Mar - 2008
Liability at the end of the year (Obligation)	(13.68)	(12.75)	(15.55)	8.02	5.39	(2.92)
Fair Value of Plan Assets at the end of the year	21.96	16.88	9.56	8.82	3.76	3.56
Amount not recognised in the Balance Sheet *	(1.25)	(2.80)	-	-	-	-
Amount recognised in the Balance Sheet	7.03	1.33	(6.00)	0.80	(1.62)	0.64

Table showing changes in Benefit Obligation

(Rs. in Million)

Particulars	As at					
	Sep - 2012	Mar - 2012	Mar - 2011	Mar - 2010	Mar - 2009	Mar - 2008
Liability at the beginning of the year	12.74	15.55	8.02	5.39	3.05	2.60
Interest Cost	0.54	1.29	0.64	0.61	0.32	0.21
Current Service Cost	1.59	2.79	2.96	2.44	1.19	0.62
Cost on account of Transitional Liability incurred during the period	-	-	-	-	-	-
Past Service Cost (Non Vested Benefit)	-	-	-	-	-	-
Past Service Cost (Vested Benefit)	-		3.66	-	-	-
Benefit paid in the normal course	(1.22)	(1.50)	-	-	(0.35)	(0.55)
Actuarial (gain)/loss on obligations	0.03	(5.38)	0.27	(0.41)	1.17	0.03
Liability at the end of the year	13.68	12.75	15.55	8.02	5.39	2.92

Fair value of plan assets

(Rs. in Million)

Particulars	**As at**					
	Sep - 2012	**Mar - 2012**	**Mar - 2011**	**Mar - 2010**	**Mar - 2009**	**Mar - 2008**
Fair value of plan assets at beginning of year	16.88	9.56	8.82	3.76	3.56	2.30
Expected Return on Plan Assets	0.67	0.76	0.71	0.66	0.29	0.18
Contributions	5.69	7.34	-	-	-	1.49
Transfer from other company	-	-	-	4.55	0.22	-
Transfer to other company	-	-	-	-	-	-
Benefit paid	(1.22)	(1.50)	-	-	(0.35)	(0.55)
Actuarial (gain)/loss on obligations	(0.06)	0.72	0.03	(0.15)	0.04	0.14
Fair value of Plan Assets at the end of year	21.96	16.88	9.56	8.82	3.76	3.56

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	**As at**					
	Sep - 2012	**Mar - 2012**	**Mar - 2011**	**Mar - 2010**	**Mar - 2009**	**Mar - 2008**
	(%)	(%)	(%)	(%)	(%)	(%)
Investment with insurer	100	100	100	100	100	100

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Assumptions**:**

Particulars	**As at**					
	Sep - 2012	**Mar - 2012**	**Mar - 2011**	**Mar - 2010**	**Mar - 2009**	**Mar - 2008**
Discount Rate Current	8.50%	8.50%	8.25%	8.00%	8.00%	8.25%
Salary Escalation Current	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Attrition Rate Current Year	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

*As per actuarial valuation the net position is an asset, hence no additional provision for Gratuity is required to be made in Statement of Profit & Loss.

Leave Encashment

Particulars	**As at**					
	Sep - 2012	**Mar - 2012**	**Mar - 2011**	**Mar - 2010**	**Mar - 2009**	**Mar - 2008**
Method of Valuation	Project Unit Credit Method					
Retirement Age	60	60	60	60	60	60
Attrition Rate	2.00%	2.00%	2.00%	2.00%	2.00%	1.00% to 3.00%
Future Salary Rise	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Rate of Discounting	8.50%	8.50%	8.00%	7.75%	7.75%	8.00%
Mortality Table	LIC (1994-96) Ultimate					
Actuarial Value of Leave	41.18	36.70	27.37	22.43	15.63	11.66

Particulars	As at					
	Sep - 2012	Mar - 2012	Mar - 2011	Mar - 2010	Mar - 2009	Mar - 2008
Encashment Liability (Rs. in Millions)						

C.2.4 Operating lease

The Company has taken various office premises under operating lease or leave and license agreements. These are generally non-cancelable and ranges between 11 months and 5 years under leave and license, or longer for the lease and are renewable by mutual consent on mutually agreeable terms. The company has given refundable interest free security deposits under certain agreements.

(Rs. in Million)

	For the six months ended	For the year ended				
Particulars	Sep - 2012	Mar - 2012	Mar - 2011	Mar - 2010	Mar - 2009	Mar - 2008
Rent recognized in Profit & Loss Account	4.77	13.24	5.12	5.48	5.11	2.57
Not later than one year	9.25	12.82	7.65	1.80	5.46	2.44
Later than one year and not later than five years	4.55	12.57	14.99	0.63	6.10	2.09
More than five years	Nil	Nil	Nil	Nil	Nil	Nil

C.2.5 Deferred Tax Assets / (Liabilities)

(Rs. in Million)

Particulars	As at					
	Sep - 2012	Mar - 2012	Mar - 2011	Mar - 2010	Mar - 2009	Mar - 2008
Deferred Tax Liabilities						
Depreciation	(54.58)	(44.62)	(34.90)	(27.22)	(23.87)	(22.38)
Subtotal (A)	**(54.58)**	**(44.62)**	**(34.90)**	**(27.22)**	**(23.87)**	**(22.38)**
Deferred Tax Assets						
Leave Encashment (Net of disallowance impact)	10.95	9.50	6.47	5.61	4.80	3.82
Gratuity	0.09	0.09	0.09	0.09	0.09	-
Subtotal (B)	**11.04**	**9.59**	**6.56**	**5.70**	**4.89**	**3.82**
Total (A+B)	(43.54)	(35.03)	(28.34)	(21.52)	(18.98)	(18.56)

C.2.6 Auditors Remuneration

(Rs. in Million)

Particulars	For the six months ended	For the Year ended				
	Sep - 2012	Mar - 2012	Mar - 2011	Mar - 2010	Mar - 2009	Mar - 2008
Audit Fees	0.38	0.65	0.30	0.30	0.20	0.15
Tax Matters	0.08	0.05	0.05	0.05	0.03	0.03
Other including Certification	0.04	0.00	0.14	-	-	0.00

Particulars	For the six months ended	For the Year ended				
	Sep - 2012	Mar - 2012	Mar - 2011	Mar - 2010	Mar - 2009	Mar - 2008
Total	**0.50**	**0.70**	**0.49**	**0.35**	**0.23**	**0.18**

Auditors Remuneration excludes service tax charges as the Company claims input credit.

C.2.7 Director's Remuneration

(Rs. in Million)

	For the six months ended	For the Year ended				
Particulars	**Sep -2012**	**Mar - 2012**	**Mar - 2011**	**Mar - 2010**	**Mar - 2009**	**Mar - 2008**
Salary & Other Allowances	9.36	16.74	14.75	12.25	7.85	3.50
Contribution to Provident Fund/Superannuation	0.89	1.73	2.67	2.22	0.69	0.43
Perquisites*	0.00	0.12	0.19	0.21	0.07	0.20
Performance Linked Pay	***	3.00	2.04	3.40	2.00	1.12
Commission	***	2.20	1.56	2.60	-	-
Provision for Gratuity	**	**	**	**	**	**

* The above managerial remuneration does not include perquisite value on 94,248 option granted to MD and DMD under the Employees' Stock Option Scheme of the Company.

** Amount is not ascertainable and is covered under Group Gratuity policy of LIC.

***Amount ascertainable only on evaluation of performance at year end.

C.2.8 Details of dues to Micro and Small Enterprises as per MSMED Act, 2006.

The Company did not owe any amount due to enterprises registered as micro, small or medium enterprise under the Micro, Small and Medium Enterprises Development Act, 2006 as at September 30, 2012, March 31, 2012, 2011, 2010, 2009 and 2008. The information regarding micro, small and medium enterprises has been determined on the basis of information available with management.

C.2.9 Employee stock option plans:

The Company had introduced Employee's Stock Option Scheme (ESOS) dated December 1, 2006 for its employees. The said scheme was approved by shareholders in 13th Annual General Meeting dated September 29, 2006. Accordingly, an aggregate of 727,500 options were granted to eligible employees on December 1, 2006 at an exercise price of Rs. 31.82. As per ESOS, the options were to be vested equally on December 1, 2008 and December 1, 2009.

Accordingly, first tranche of shares were allotted to eligible employees on February 10, 2009. Further, it was decided to cancel remaining unexpired options with the consent of all eligible employees.

The details of the activity under ESOS have been summarized as follows.

(Numbers)

Particulars	For the six months ended	For the Year ended				
	Sep - 2012	Mar - 2012	Mar - 2011	Mar - 2010	Mar - 2009	Mar - 2008
Outstanding at the beginning of the year	-	-	-	359,261	651,204	664,668
Granted during the year	-	-	-	-	-	-
Lapsed / Forfeited during the year	-	-	-	33,659	-	13,464
Exercised during the year	-	-	-	-	291,943	-
Options Cancelled	-	-	-	325,602	-	-
Outstanding at the end of the year	-	-	-	-	359,261	651,204
Exercisable at the end of the year	-	-	-	-	33,659	-

Effect of the employee share-based payment plans on the profit and loss account and on its financial Position:

(Rs. in Million)

Particulars	For the six months ended	For the Year ended				
	Sep - 2012	Mar - 2012	Mar - 2011	Mar - 2010	Mar - 2009	Mar - 2008
Total Employee Compensation Cost pertaining to ESOS	-	-	-	-	4.59	6.89
Liability for Employee Stock Option Outstanding as at year end	-	-	-	-	13.77	9.18
Employee compensation cost transferred to Share Premium / General Reserve Account in the respective years	-	-	-	13.77	-	-

C.2.10 Expenditure in foreign currency

(Rs. in Million)

Particulars	For the six months ended	For the Year ended				
	Sep - 2012	Mar - 2012	Mar - 2011	Mar - 2010	Mar - 2009	Mar - 2008
Foreign Travel	2.28	3.51	3.61	2.23	2.78	1.83
Training	-	0.18	0.49	0.66	0.79	0.24
Administrative Expenses	1.58	4.07	0.45	-	-	-
License Fees	-	-	0.46	-	-	-
Membership Fees	-	0.05	0.16	-	-	-
Capital Expenditure	-	0.09	0.35	-	-	-

Particulars	For the six months ended	For the Year ended				
	Sep - 2012	Mar - 2012	Mar - 2011	Mar - 2010	Mar - 2009	Mar - 2008
Total	**3.86**	**7.90**	**5.52**	**2.89**	**3.57**	**2.07**

C.2.11 Earning in foreign currency

(Rs. in Million)

Particulars	For the six months ended	For the Year ended				
	Sep - 2012	Mar - 2012	Mar - 2011	Mar - 2010	Mar - 2009	Mar - 2008
Technical Know how	-	1.74	4.56	1.03	4.36	3.76
Information Services	-	0.37	0.95	0.65	-	-
Rating	-	0.77	1.99	2.28	-	-
Total	**-**	**2.88**	**7.50**	**3.96**	**4.36**	**3.76**

C.2.12 Related Party Transactions

Names of Related Parties

Subsidiary company with effect from November 2011

Care Kalypto Risk Technologies and Advisory Services Private Limited
(Formerly known as Kalypto Risk Technologies Private Limited)
(75.13% equity stake acquired in November 2011)

Key Management Personnel ('KMP')

Name	Designation	Period
Shri K. Sivaprakasam	Managing Director	From 01-04-2008 to 30-06-2008
D.R. Dogra	Managing Director	From 22-08-2009 to 30-09-2012
D.R. Dogra	Dy. Managing Director	From 30-06-2008 to 21-08-2009
Rajesh Mokashi	Dy. Managing Director	From 22-08-2009 to 30-09-2012

Transactions with Related Parties

(Rs. in Million)

Particulars	For the six months ended	For the Year ended				
	Sep - 2012	Mar - 2012	Mar - 2011	Mar - 2010	Mar - 2009	Mar - 2008
Remuneration to KMP:						
Shri K. Sivaprakasam*	-	-	-	-	3.18	5.25
Mr. D. R. Dogra*	5.60	13.19	11.64	11.38	7.43	-
Mr. Rajesh Mokashi*	4.66	10.60	9.57	9.29	-	-

Note:
** The above managerial remuneration does not include perquisite value of shares allotted during financial years 2008 to 2010 under the Employees' Stock Option Scheme of the Company.*

C.2.13 Discontinuation of Advisory Services

During the year ended March 31, 2009, the Company has discontinued its Advisory Services Division. However, in some cases where draft reports were submitted to the clients, the income from such assignments has been booked on finalization of report and certainty of ultimate collection in subsequent year. Details of fees from advisory services are as follows:

(Rs. in Million)

	For the six months ended	**For the Year ended**				
Particulars	**Sep - 2012**	**Mar - 2012**	**Mar - 2011**	**Mar - 2010**	**Mar - 2009**	**Mar - 2008**
Fees for advisory services	-	-	0.70	-	6.82	6.91

C.2.14 Impairment of Assets

In compliance with Accounting Standard 28 on Impairment of Assets, notified under the Companies (Accounting Standards) Rules 2006, as amended, the Company made provision of Rs. 2.27 million for the diminution in the value of property at Ahmedabad during the financial year 2008-09. A partial reversal of the impaired amount to the extent of Rs. 0.01 million was made during the financial year 2009-10 to rectify over provisioning in the earlier year. The same has been disclosed separately.

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Annexure - V Restated Statement of Unconsolidated Investments

(Rs. in Million)

	Particulars	As at					
		30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
	Non Current Investments:						
A	**Quoted Investments**						
	Bonds of Public Sector Units	496.57	447.97	210.00	180.00	80.00	27.39
	Gold ETF's	111.58	71.55	5.01	-	-	-
	Government Securities	101.35	50.78	-	-	-	-
	Units of Fixed Maturity Plans of Debt Mutual Funds	185.03	290.03	303.94	991.35	75.00	365.57
		894.53	**860.33**	**518.95**	**1,171.35**	**155.00**	**392.96**
B	**Unquoted Investments**						
	Investment in subsidiary	89.40	89.40	-	-	-	-
	Units of Equity Mutual Fund Schemes	156.49	94.60	10.57	-	-	-
		245.89	**184.00**	**10.57**	**-**	**-**	**-**
	Total Non Current Investments	**1,140.42**	**1,044.33**	**529.52**	**1,171.35**	**155.00**	**392.96**
	Current Investments:						
C	**Quoted Investments**						
	Investments in US64	-	-	-	-	-	15.01
	Bonds of Public Sector Units	-	-	-	-	27.38	-
	Certificate of Deposit	-	-	45.55	-	-	-
	Units of Fixed Maturity Plans of Debt Mutual Funds	1,574.65	1,080.11	1,708.70	75.00	892.80	376.01
	Commercial Paper	407.94	496.56	46.30	-	-	-
		1,982.59	**1,576.67**	**1,800.55**	**75.00**	**920.18**	**391.02**
D	**Unquoted Investments**						
	Units of Open-ended Debt Mutual Fund Schemes	341.57	127.79	256.40	613.92	96.34	-
		341.57	**127.79**	**256.40**	**613.92**	**96.34**	**-**
	Total Current Investments	**2,324.16**	**1,704.46**	**2,056.95**	**688.92**	**1,016.52**	**391.02**
	Total Investments	**3,464.58**	**2,748.79**	**2,586.47**	**1,860.27**	**1,171.52**	**783.98**
	Aggregate book value of quoted investments	2,877.12	2,437.00	2,319.50	1,246.35	1,075.18	783.98
	Aggregate book value of unquoted investments	587.46	311.79	266.97	613.92	96.34	-
	Total	**3,464.58**	**2,748.79**	**2,586.47**	**1,860.27**	**1,171.52**	**783.98**
	Aggregate market value of quoted investments	**3,013.83**	**2,548.44**	**2,425.56**	**1,269.29**	**1,162.48**	**830.54**

NOTES:

1. The above statement should be read with the notes to the restated unconsolidated assets and liabilities, profits and losses and cash flows as appearing in Annexure – IV.
2. The figures disclosed above are based on the restated unconsolidated assets and liabilities of the Company.

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Annexure - VI Restated Statement of Unconsolidated Trade Receivables

(Rs. in Million)

Particulars	As at					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Trade Receivables						
Unsecured, considered good						
Outstanding for a period exceeding six months	64.23	40.46	22.68	3.85	6.70	8.12
Others	460.61	115.80	100.59	63.76	47.11	44.84
Total	**524.84**	**156.26**	**123.27**	**67.61**	**53.81**	**52.96**
Unsecured, considered doubtful						
Outstanding for a period exceeding six months	2.61	-	-	-	-	-
Total	**527.45**	**156.26**	**123.27**	**67.61**	**53.81**	**52.96**
Less: Provision for bad and doubtful debts	2.61	-	-	-	-	-
Total	**524.84**	**156.26**	**123.27**	**67.61**	**53.81**	**52.96**
Sundry Debtors includes amounts due from Relatives of Directors / Subsidiary Companies / Associate Companies	-	-	-	-	-	-

NOTES:

1. The figures disclosed above are based on the restated unconsolidated assets and liabilities of the Company.
2. The above statement should be read with the notes to the restated unconsolidated assets and liabilities, profits and losses and cash flows as appearing in Annexure - IV.
3. List of persons/ entities classified as relatives of Directors has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

Credit Analysis and Research Limited

Annexure - VII Restated Statement of Unconsolidated Long Term Loans and Advances

(Rs. in Million)

Particulars	**As at**					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Deposits	5.63	5.62	5.21	3.57	4.15	3.05
Capital Advances	18.16	-	1.70	28.19	-	-
Vehicle Loan to Employees	1.42	1.25	1.09	0.69	0.73	0.21
Accrued Interest on Loans to Employees	0.32	0.29	0.19	0.12	0.05	0.01
Other Loans and Advances:						
Prepaid Expenses	2.67	0.90	-	-	0.26	-
Advance payment of taxes (Net)	96.99	106.74	64.16	43.78	43.82	29.83
Total	**125.19**	**114.80**	**72.35**	**76.35**	**49.01**	**33.10**
Loans and Advances includes amounts due from Relatives of Directors / Subsidiary Companies / Associate Companies	-	-	-	-	-	-

NOTES:

1. The figures disclosed above are based on the restated unconsolidated assets and liabilities of the Company.
2. The above statement should be read with the notes to the restated unconsolidated assets and liabilities, profits and losses and cash flows as appearing in Annexure – IV.
3. List of persons/ entities classified as relatives of Directors has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

Credit Analysis and Research Limited

Annexure - VIII Restated Statement of Unconsolidated Other Non Current Assets

(Rs. in Million)

Particulars	**As at**					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Interest Accrued on Investments	-	8.97	3.88	6.25	1.15	-
Gratuity	7.04	1.34	-	-	-	-
Bank Deposits with more than twelve months maturity		-	50.00	50.00	50.00	1.63
Total	**7.04**	**10.31**	**53.88**	**56.25**	**51.15**	**1.63**

NOTES:

1. The figures disclosed above are based on the restated unconsolidated assets and liabilities of the Company.
2. The above statement should be read with the notes to the restated unconsolidated assets and liabilities, profits and losses and cash flows as appearing in Annexure – IV.
3. List of persons/ entities classified as relatives of Directors has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

Credit Analysis and Research Limited

Annexure - IX Restated Statement of Unconsolidated Short Term Loans and Advances

(Rs. in Million)

Particulars	As at					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Loans to Employees	1.28	1.13	1.24	6.23	0.47	0.32
Prepaid Expense	7.65	7.46	2.19	1.83	2.25	1.66
Advances recoverable in cash or in kind or for value to be received:						
Advance to Suppliers	1.42	1.55	0.80	0.28	0.12	0.72
Other Advances	4.18	1.83	0.14	0.02	0.01	0.03
Total	**14.53**	**11.97**	**4.37**	**8.36**	**2.85**	**2.73**
Loans and Advances includes amounts due from Relatives of Directors / Subsidiary Companies / Associate Companies		-	-	-	-	-

NOTES:

1. The figures disclosed above are based on the restated unconsolidated assets and liabilities of the Company.
2. The above statement should be read with the notes to the restated unconsolidated assets and liabilities, profits and losses and cash flows as appearing in Annexure – IV.
3. List of persons/ entities classified as relatives of Directors has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

Credit Analysis and Research Limited

Annexure - X Restated Statement of Unconsolidated Other Current Assets

(Rs. in Million)

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Interest Accrued on Investments	51.19	68.98	11.27	0.95	5.94	1.36
Service tax		-	-	-	5.42	4.68
Accrued Interest on Loans to Employees	0.02	0.01	0.02	-	0.01	0.01
Gratuity	-	-	-	0.80	-	0.74
Total	**51.21**	**68.99**	**11.29**	**1.75**	**11.37**	**6.79**

NOTES:

1. The figures disclosed above are based on the restated unconsolidated assets and liabilities of the Company.
2. The above statement should be read with the notes to the restated unconsolidated assets and liabilities, profits and losses and cash flows as appearing in Annexure – IV.
3. List of persons/ entities classified as relatives of Directors has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

Credit Analysis and Research Limited

Annexure - XI Restated Statement of Unconsolidated Income from Operations

(Rs. in Million)

Particulars	For the six months ended	For the year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Rating Income (including Surveillance)	898.28	1,877.56	1,653.17	1,357.83	929.05	507.72
Fee for Technical Know-how Services	-	1.74	3.63	1.95	9.90	10.67
Sale of Publications / Information Services	0.67	10.52	8.16	2.25	2.78	1.31
Total	**898.95**	**1,889.82**	**1,664.96**	**1,362.03**	**941.73**	**519.70**

NOTES:

1. The figures disclosed above are based on the restated unconsolidated profits and losses of the Company.
2. The above statement should be read with the notes to the restated unconsolidated assets and liabilities, profits and losses and cash flows as appearing in Annexure – IV.

Credit Analysis and Research Limited

Annexure - XII Restated Statement of Unconsolidated Other Income

(Rs. in Million)

Particulars	For the six month ended	For the year ended					Recurring /Non Recurring	Related / Not related
	30-Sep -12	31-Mar -12	31-Mar - 11	31-Mar - 10	31-Mar -09	31-Mar -08		
Interest on investments:								
On long term investment	22.29	84.74	7.46	12.57	5.46	3.34	Recurring	Not Related
On short term investment	42.52	16.91	12.12	-	-	-	Recurring	Not Related
Others	0.06	1.71	0.09	0.07	0.05	0.01	Non Recurring	Not Related
Dividend on Investments:								
On long term investments	1.89	31.61	15.79	36.46	5.69	1.21	Recurring	Not Related
On short term investment	8.61	1.53	0.57	-	-	-	Recurring	Not Related
Profit/(Loss) on Redemption/Sale of investments (Net)	51.03	145.42	20.64	107.63	41.66	24.34	Recurring	Not Related
Interest on Income Tax Refund	-	-	0.67	0.79	4.37	0.32	Non Recurring	Not Related
Foreign Gain	-	0.13	-	-	-	-	Non Recurring	Not Related
Miscellaneous Income	0.03	0.06	0.25	0.71	0.35	0.19	Non Recurring	Not Related
Total	**126.43**	**282.11**	**57.59**	**158.23**	**57.58**	**29.41**		

NOTES:

1. The classification of other income as recurring/non-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.
2. The figures disclosed above are based on the restated unconsolidated profits and losses of the Company.
3. The above statement should be read with the notes to the restated unconsolidated assets and liabilities, profits and losses and cash flows as appearing in Annexure – IV.

Credit Analysis and Research Limited

Annexure - XIII Restated Statement of Unconsolidated Dividend

(Rs. in Million)

Particulars	For the six months ended	For the year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Dividend on equity shares						
Dividend in %						
- Interim	-	100%	-	-	-	10%
- Final	-	-	65%	50%	40%	35%
Proposed Dividend	-	-	61.86	47.56	31.43	27.21
Interim Dividend	-	285.53	-	-	-	7.78
Dividend Tax	-	46.32	10.04	8.08	5.34	5.94

NOTES:

1. Face Value of the shares is Rs. 10 per equity share
2. The above statement should be read with the notes to the restated unconsolidated assets and liabilities, profits and losses and cash flows as appearing in Annexure - IV

Credit Analysis and Research Limited

Annexure – XIV

A - Restated Statement of Unconsolidated Accounting Ratios

(Rs. in Million expect per share data)

Particulars		For the six month ended	For the year ended				
		30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Net Profit after Tax, as Restated	A	500.49	1,157.02	879.49	856.90	523.99	266.85
Total number of shares outstanding at the end of the year	B	28,552,812	28,552,812	9,517,604	9,517,604	7,775,000	7,775,000
Weighted average number of equity Shares outstanding during the year (including bonus shares)	C	28,552,812	28,552,812	28,552,812	28,487,784	28,260,869	28,260,869
Weighted average number of diluted equity shares outstanding during the year (including bonus shares)	D	28,552,812	28,552,812	28,552,812	28,552,812	28,552,812	28,552,812
Basic Earnings per share (Rs.)	A/C	17.53*	40.52	30.80	30.08	18.54	9.44
Diluted Earnings per share (Rs.)	A/D	17.53*	40.52	30.80	30.01	18.35	9.35
Return on Net-worth (%)		11.73%*	30.71%	29.89%	40.14%	39.26%	32.05%
Net asset value per equity share		149.48*	131.96	309.17	224.32	170.35	107.09

* not annualised

1. The Ratios have been computed as below:
   a) Basic Earnings per share before adjusting exceptional item (Rs) $= \dfrac{\text{Net profit after tax (as restated)}}{\text{Weighted average number of equity shares outstanding during the year (including bonus shares)}}$

   b) Diluted Earnings per share before adjusting exceptional item (Rs) $= \dfrac{\text{Net profit after tax (as restated)}}{\text{Weighted average number of diluted equity shares outstanding during the year (including bonus shares)}}$

   c) Return on net worth (%) $= \dfrac{\text{Net profit after tax (as restated)}}{\text{Net worth at the end of the year}}$

   d) Net asset value per share (Rs) $= \dfrac{\text{Net worth at the end of the year (as restated)}}{\text{Total number of equity shares outstanding at the end of the year}}$

2. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
3. Net worth = Equity share capital + Reserves and surplus (including Capital Redemption Reserve, Securities Premium, General Reserve and surplus in Profit and Loss Account and Employee Stock Option Outstanding) + Share Application Money

4. Earnings per share calculations are in accordance with Accounting Standard 20 - Earnings per share, notified under the Companies (Accounting Standards) Rules 2006, as amended. As per AS20, in case of bonus shares, the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. During the year ended March 31, 2012 and March 31, 2010, Company issued bonus shares, in the ratio of 2 shares for every 1 share held and 18 share for every 100 share held, respectively, to the existing shareholders by the way of capatilisation of general reserve which has been approved at the Board Meeting. Weighted average number of equity shares outstanding during all the previous years have been considered accordingly.
5. The above statement should be read with the notes to restated unconsolidated assets and liabilities, profits and losses and cash flows as appearing in Annexure IV.
6. The figures / ratios disclosed above are based on Restated Unconsolidated Financial Statements of the Company.

Credit Analysis and Research Limited

Annexure - XV Restated Statement of Unconsolidated Capitalisation

(Rs in Million)

Particulars	Pre-Issue as at Sept 30, 2012	Post-Issue as at Sept 30, 2012*
Shareholders' funds		
- Share capital	285.53	285.53
- Reserves (excluding revaluation reserve)	3,982.67	3,982.67
Total shareholders' funds	**4,268.20**	**4,268.20**

Note:
The figures disclosed above are based on Restated Unconsolidated assets and liabilities of the Company

* The Company is proposing to have initial public offering through offer for sale, hence there will be no change in Shareholder's funds post issue.

Credit Analysis and Research Limited

Annexure - XVI Restated Statement of Unconsolidated Tax Shelters Statement

(Rs. in Million)

	Particulars		**For the year / period ended**					
			30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
I	**Net Profit before Tax, as restated**		702.43	1,615.92	1,293.52	1,222.60	777.73	398.14
	Long Term Capital Gain	a	51.03	145.41	20.10	107.54	41.66	24.33
	Profit (other than long term capital gain)	b	651.40	1,470.51	1,273.42	1,115.06	736.07	373.81
II	**Notional Tax Rates**							
	Tax on Long Term Capital Gain	c	22.15%	22.15%	22.15%	22.66%	22.66%	22.66%
	Normal Tax Rate (other than on long term capital gain)	d	32.45%	32.45%	33.22%	33.99%	33.99%	33.99%
III	**Tax Expense based on Notional Rates**							
	On Long Term Capital Gain	e=a*c	11.30	32.21	4.45	24.37	9.44	5.51
	Other than long term capital gain	f=b*d	211.38	477.18	423.03	379.01	250.19	127.06
		g=e+f	222.68	509.39	427.48	403.38	259.63	132.57
	Adjustments							
IV	**Permanent Differences**							
	On Long Term Capital Gain							
	Indexation Impact on Long Term Capital Gain		(66.54)	(276.63)	(16.62)	(100.92)	(33.79)	(23.16)
	Total	h	(66.54)	(276.63)	(16.62)	(100.92)	(33.79)	(23.16)
	On Profit (other than long term capital gain)							
	Disallowance u/s 14A of the Income Tax Act, 1961		4.24	2.87	0.98	-	0.37	0.21
	Provision for ESOP expenses		-	-	-	-	4.59	6.89
	Dividend income exempt		(10.50)	(33.14)	(16.36)	(36.46)	(5.69)	(1.21)
	Interest Income on Tax Free Bonds		(22.29)	(16.91)	(12.12)	(6.12)	(2.60)	(2.78)
	Total	i	(28.55)	(47.18)	(27.50)	(42.58)	(3.33)	3.11
V	**Timing Differences**							
	On Long Term Capital Gain							
	Long Term Capital Loss Carried Forward		15.51	131.22	-	-	-	-
	Brought Forward Long Term Capital Loss Adjusted		-	-	-	-	(1.87)	(1.17)
	Total	**j**	**15.51**	**131.22**	**-**	**-**	**(1.87)**	**(1.17)**
	Depreciation and Impairment		(32.02)	(29.40)	(26.37)	(13.05)	(6.03)	(1.23)
	Expense Disallowed		4.41	10.92	4.94	6.80	5.00	3.16

	Particulars		For the year / period ended					
			30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
	Expense Allowed		-	(11.29)	(1.74)	(4.01)	(1.88)	(0.03)
	(Profit) / Loss on sale of Fixed Assets		0.86	-	0.73	1.33	1.67	0.15
	Total	k	**(26.75)**	**(29.77)**	**(22.44)**	**(8.93)**	**(1.24)**	**2.05**
VI	**Adjusted Net Profit before Tax, as restated**							
	Long Term Capital Gain	l=(a-h-j)	-	-	3.48	6.62	6.00	-
	Profit (other than long term capital gain)	m=(b-i-k)	596.10	1,393.56	1,223.48	1,063.55	731.50	378.97
VII	**Tax Expense**							
	Long Term Capital Gain	o=l*c	-	-	0.77	1.50	1.36	-
	Profit (other than long term capital gain)	p=m*d	193.43	452.21	406.44	361.50	248.64	128.81
	Total		**193.43**	**452.21**	**407.21**	**363.00**	**250.00**	**128.81**
	Add: Interest u/s 234of the Income Tax Act, 1961 / Prior year adjustments	q	-		-	0.16	1.60	2.35
VIII	**Total Tax on Profit, as Restated**	r=o+p+q	**193.43**	**452.21**	**407.21**	**363.16**	**251.60**	**131.16**

NOTES:

1. The aforesaid Statement of Tax Shelters has been prepared as per the Restated Unconsolidated Profit and Losses of the Company.
2. The above statement should be read with the notes to the Restated unconsolidated assets and liabilities, profit and losses and cash flows as appearing in Annexure - IV.
3. The permanent/ timing differences for the year ended March 31, 2012, 2011, 2010, 2009, 2008 have been computed based on acknowledged copies of Income Tax Returns/computation of the respective years.
4. The permanent/ timing differences for the six month period ending September 30, 2012 have been determined on the basis of provisional computation of the total income prepared by the company and are subject to change that may be considered at the time of filing of final return of income for the assessment year 2013-14.

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

The following discussion and analysis of our financial condition and results of operations is based upon, and should be read in conjunction with, our restated unconsolidated financial statements for the financial years 2008, 2009, 2010, 2011 and 2012 and our restated consolidated financial statements for the financial year 2012 and the six months ended September 30, 2012, including the notes and annexures thereto and the reports thereon, from page 141 to page 203 of this Prospectus. These financial statements are based on our audited unconsolidated and audited consolidated financial statements and are restated in accordance with paragraph B(1) of Part II of Schedule II of the Companies Act and the SEBI Regulations. Our audited unconsolidated and audited consolidated financial statements are prepared in accordance with Indian GAAP, accounting standards issued by ICAI and the relevant provisions of the Companies Act. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the twelve month period ended March 31 of that year.

The following discussion and analysis contains forward-looking statements and reflects our management's current view with respect to future events that involve risks and uncertainties. For additional information regarding such risks and uncertainties, see the sections "Forward-Looking Statements" and "Risk Factors" on page 14 and page 15, respectively of this Prospectus.

Overview

We are a leading, full service credit rating company in India, and for the year ended March 31, 2012, we were the second largest rating company in India in terms of rating turnover. We offer a wide range of rating and grading services across a diverse range of instruments and industries. We also provide general and customized industry research reports. Since incorporation in April 1993, we have completed 19,058 rating assignments and have rated Rs. 44,036.03 billion of debt as of September 30, 2012. We had rating relationships with 4,644 clients as of September 30, 2012. Our existing shareholders include domestic banks and financial institutions, such as IDBI Bank, Canara Bank, SBI and IL&FS, among others. For details, see "Capital Structure - Shareholders holding more than 1% of the pre-Offer paid up share capital of our Company" on page 64 of this Prospectus.

We operate as a professionally managed company with a Board of Directors comprising a majority of independent directors. We have an internal rating committee comprising senior executives from our Company and an external rating committee, which comprises a majority of independent members. Our rating committees are the final authorities for assigning ratings on behalf of our Company. We strive for the following values:

- *Integrity and transparency*: A commitment to be ethical, sincere and transparent in our dealings;
- *Pursuit of excellence*: A commitment to strive relentlessly to constantly improve ourselves;
- *Fairness*: Treat clients, employees and other stakeholders fairly;
- *Independence*: We take pride in our independence, are unbiased and fearless in expressing our opinion; and
- *Thoroughness*: We endeavor to do rigorous analysis using advanced techniques of research on every assignment that we undertake.

Our primary focus has been to provide credit rating services in India. We have over 19 years of experience in rating debt instruments and related obligations covering a wide range of sectors, such as manufacturing, services, banks and infrastructure. Our list of clients includes banks and other financial institutions, private sector companies, central public sector undertakings, sub-sovereign entities, small and medium enterprises ("**SMEs**") and micro-finance institutions, among others. We believe we are well equipped to rate most kinds of short, medium and long-term debt instruments, such as commercial paper, bonds, debentures, preference shares and structured debt instruments; bank loans and facilities, both fund-based and non fund-based; and deposit obligations, such as inter-corporate deposits, fixed deposits and certificates of deposit. We also provide issuer ratings and corporate governance ratings and have rated innovative debt instruments, such as perpetual bonds.

We are recognized by the Capital Markets Development Authority, Republic of Maldives to carry out ratings of debt instruments and bank loans and facilities in respect of Maldivian companies, through our office in the Republic of Maldives, and we are focused on expanding our ratings business in other countries, including Nepal and Mauritius, where we intend to provide rating services through joint ventures in the future. We have also been recognized by Bank of Mauritius for using our ratings for risk weighting of bank claims on corporates for capital adequacy purposes. We have also been granted indirect recognition by the Hong Kong Monetary Authority as an external credit assessment institution for the purposes of the regulatory capital framework in Hong Kong. Authorized institutions incorporated in Hong Kong are now permitted to use a rating by us for determining the capital requirements for credit exposure to Indian corporates. We are exploring opportunities to provide risk management solutions and training in risk management practices to banks and financial institutions in Nigeria pursuant to an exclusive memorandum of understanding with Riskmap Consulting Limited, a Nigerian risk management consulting company.

We have entered into a non-binding memorandum of understanding with four credit rating agencies, each located in Brazil, Portugal, Malaysia and South Africa, to establish an international credit rating agency, which would provide international scale ratings to assist local issuers in mobilizing resources from international financial markets. We have received a no objection letter from SEBI to enter into a joint venture for the establishment of an international credit rating agency, subject to satisfaction of certain conditions mentioned therein. For further details, see "Government and Other Approvals – Approvals in relation to the business of our Company in India – Others" and "Government and Other Approvals – Approvals in relation to the business of our Company in India – Approvals to be applied for by our Company" on pages 230 and 231 of this Prospectus. In addition, we provided technical assistance to a rating agency in Mexico and we provide technical assistance to Summa Ratings S.A., Ecuador with respect to providing credit ratings, among other services.

We also have experience in providing specialized grading services, including IPO grading, equity grading, and grading of various types of enterprises, including ESCO, RESCO, shipyards, maritime training institutes, construction companies and rating of real estate projects, among others. We are the leading credit rating agency in India for IPO grading, having graded the largest number of IPOs since the introduction of IPO grading in India. Some of our grading services have been formulated pursuant to a statutory or regulatory regime applicable to the particular sector, such as the ESCO grading under accreditation by the Bureau of Energy Efficiency and the RESCO grading under the aegis of the Ministry of New and Renewable Energy.

Our research team primarily provides in-house research to our ratings team in the form of in-depth research on various sectors. We periodically publish industry research reports covering 39 sectors as of September 30, 2012, have published one-time industry research reports covering three sectors and also publish risk scores reports, called CARE Industry Risk Metrics, covering 109 sectors as of September 30, 2012, which are available on a subscription basis. We also provide customized research covering key areas, such as market sizing, demand estimation, demand supply gap analysis, cost benefit analysis, product segmentation, business analysis and cost indexation, among others, upon request by our clients. We also prepare industry overviews for clients in relation to their capital markets offerings.

Our economics team produces economic research that includes a daily debt market report, a monthly debt market review, budget analysis, other policy impact analysis, special commentaries on topical issues and studies and surveys on the Indian economy. We also analyze global economic developments. These reports are widely circulated to our clients, regulators, banks, mutual funds, government officials and the media. The reports are also available on our website http://www.careratings.com. Our economics team published a research report on the Indian economy in April 2011 for the Ministry of Finance, Government of India.

We are registered with SEBI as a credit rating agency under the CRA Regulations. We are recognized by RBI as an eligible credit rating agency whose ratings may be used by banks for assigning risk weights for credit risk for the implementation of Basel II in India. We are also recognized by RBI for rating fixed deposits of NBFCs and commercial paper and by other statutory authorities and agencies in India for rating and grading services, such as the Ministry of Petroleum and Natural Gas (for LPG/SKO ratings), the Ministry of Defence (for shipyard grading), Directorate General of Shipping (for maritime training institutes grading) and the National Small Industries Corporation Limited (the "**NSIC**") (for MSE ratings), among others.

We have received ISO 9001:2008 quality management certifications for our head office in Mumbai and six branch offices for the credit rating of debt instruments and facilities, for research services at our head office in Mumbai and for data processing at the CARE Knowledge Centre in Ahmedabad. For details, see "Government and Other Approvals – Approvals in relation to the business of our Company" on page 229 of this Prospectus. We believe that we follow best practices for our industry and adhere to the code of conduct set out by the International Organization of Securities Commissions ("**IOSCO**") and the Association of Credit Rating Agencies in Asia.

In November 2011, we acquired a 75.1% equity interest in Kalypto, a firm providing risk management software solutions. Pursuant to this acquisition, Kalypto has become a subsidiary of our Company. For details, see "Our Subsidiary" on page 121 of this Prospectus.

Our business has grown consistently since incorporation in 1993, and we have been profitable and paid dividends every year since our first full year of operations. Our unconsolidated total income has increased from Rs. 549.11 million for the financial year 2008 to Rs. 2,171.93 million for the financial year 2012 at a CAGR of 41% during such period; and our unconsolidated total income was Rs. 1,025.38 million for the six months ended September 30, 2012. Our unconsolidated profit after tax has increased from Rs. 266.85 million for the financial year 2008 to Rs. 1,157.02 million for the financial year 2012 at a CAGR of 44.3% during such period, and our unconsolidated profit after tax was Rs. 500.49 million for the six months ended September 30, 2012. Our unconsolidated profit after tax margin was 51.1% and 53.3% for the financial years 2011 and 2012, respectively; our consolidated total income for the financial year 2012 and for the six months ended September 30, 2012, was Rs. 2,187.95 million and Rs. 1,039.74 million, respectively; our consolidated profit after tax for the financial year 2012 and for the six months ended September 30, 2012 was Rs. 1,157.69 million and Rs. 497.75 million, respectively; and our consolidated profit after tax margin was 52.9% and 47.9% for the financial year 2012 and the six months ended September 30, 2012, respectively.

Significant Factors Affecting Our Results of Operations

Our financial condition and results of operation are affected by numerous factors, the following of which are of particular importance:

Volume of debt instruments issued and bank loans and facilities provided in the Indian market

We are primarily engaged in the business of providing rating services. During the financial years 2011 and 2012, 96.0% and 86.4%, respectively, of our restated unconsolidated total income was on account of our rating services; and during the financial year 2012 and the six months ended September 30, 2012, 85.8% and 86.4%, respectively, of our restated consolidated total income was on account of our rating services. Demand for our rating services is primarily linked to the volume of debt instruments issued (both long term and short term) and bank loans and facilities provided in the Indian debt market. Ability of clients to issue debt instruments or avail bank loans or facilities is dependent on their current debt position, credit worthiness and alternative funding options available to them. Demand for such instruments depends on prevalent interest rates, investment sentiment and attractiveness of such instruments vis-à-vis alternative investment options available to investors. Further the rating fees that we charge our clients are typically a percentage of the volume of debt issued or the amount of the bank loans or facilities and hence any change in such issue amount affects our rating income from an assignment.

Economic growth in India

Growth in volume of debt instruments issued has historically been linked to GDP growth in India, and as such, our results of operations are affected in large measure by general economic growth in India and capital investments in various sectors, such as manufacturing and infrastructure. In the past ten years, India has experienced rapid economic growth, particularly through the financial year 2008. As a result of the global economic downturn and the rising interest rate environment in India, this high growth trajectory slowed in the financial year 2009. Although in the financial years 2010 and 2011 economic growth in India improved, conditions turned adverse in the financial year 2012 with GDP growth slowing down to 6.5% and industrial growth, in particular, slowing to 2.8%. The downturn in global economies has led to increased market volatility and a widespread reduction of business activity generally, which has affected investor demand for debt instruments, issuers' willingness and ability to issue such instruments and the demand for bank loans and facilities.

Interest rates volatility

Our results of operations are primarily linked to our ability to render services in the domestic debt market. Any variation in interest rates and credit spreads, volatility in the corporate bond market or interest rate environment, policy or regulatory changes, foreign exchange fluctuations, defaults of significant issuers and other market and economic factors, both domestically and globally, may impact the issuance of debt instruments and the demand for bank loans or facilities, which would impact the demand for our rating services. Over the past two years, the RBI has attempted to manage inflation by continuously raising key interest rates. The decision by corporate entities to invest in capital expenditure is particularly sensitive to higher interest rates, as project costs are negatively impacted as interest rates rise. The RBI increased the repo rate 13 times from March 2010 to October 25, 2011 from 4.75% to 8.50%. Although it decreased the repo rate by 50 basis points on April 17, 2012, the present economic environment remains characterized by considerable volatility. A sustained environment of higher interest rates could impact both consumption and investment demand, which may influence the issuance of debt instruments and the demand for bank loans or facilities and, as a result, impact the demand for our rating services.

Competition

The credit rating market in India is constantly evolving, and the market for such services is becoming increasingly competitive. We face competition from rating agencies operating in India, some of whom are affiliated with international rating agencies. In the financial year 2011, SEBI registered an additional rating agency, bringing the total number of rating agencies operating in India to six, which further increased the level of competition in India. We compete on the basis of rating perceptions, sector-specific knowledge, methodologies, quality of products and client service.

We believe that as a full service rating agency our ability to deliver new or enhanced products and services has been a key contributor to our success. In the past, we have expanded our business to offer specialized rating and grading services and research services, in addition to our core business of rating debt instruments and bank loans and facilities. To this extent, we believe that our strategy has helped us to expand our customer base and increase customer fee-generating activity. We intend to continue to expand our range of products and services. Recently, we have faced increased pricing pressure from our competitors. In order to maintain our competitive position, we need to understand evolving customer needs and innovate products to address these needs, while continuously improving operational efficiency.

Our ability to retain our skilled ratings personnel

Our results of operations depend largely on our ability to retain the continued service of our skilled ratings personnel who have specific sector knowledge, understand the products and services we offer and can perform sophisticated credit and financial analysis. We also need to recruit and train a sufficient number of suitably skilled personnel, particularly in view of our continuous efforts to grow our business and maintain client relationships, and also considering that companies in this industry, including ours, generally face high employee attrition rates. There is significant competition for management and other skilled personnel in the financial services industry.

Government Policies and Regulations

We are regulated by the SEBI CRA Regulations and are subject to detailed supervision and regulation by SEBI. In accordance with such regulations applicable to us, we require regulatory approvals, sanctions, licenses, registrations and permissions for operating our business, including our credit rating license. We were granted a certificate of permanent registration as a credit agency by SEBI in December 2011. We are also required to disclose key operational data and subject our operations to audits as per such regulations. For details, see "Regulations and Policies" and "Government and Other Approvals - Approvals in relation to the business of our Company in India" on pages 114 and 229 of this Prospectus. The laws and regulations applicable to us could change in the future, which could lead to higher compliance costs, reduce business opportunities or otherwise affect our business and results of operations.

In addition, our business is driven, in part, by bank loan and facility ratings that we provide under the Basel II framework. RBI has pursuant to a circular dated July 7, 2009 advised banks that they may apply for migration to an "internal rating based" approach for measuring credit risk from April 1, 2012 onwards. The IRB Approach will allow the banks, subject to the approval of RBI and fulfilling certain requirements, as may be applicable, to use their own internal estimates for some or all of the credit risk components in determining the capital requirement for a given credit exposure. RBI has pursuant to a circular dated December 22, 2011 (the "**Circular**") issued guidelines for computing the credit risk capital charge under the IRB Approach. As per the timeframe specified for implementation of the IRB Approach as set forth in the Circular, RBI may, subject to an 18 months detailed analysis of the applicant bank, commence grant of approvals by March 31, 2014. For further details, see "Regulations and Policies - Internal rating based approach for banks" on page 115 of this Prospectus. To the extent that banks whose clients avail debt rating services from us apply for and receive approval from RBI to adopt the IRB Approach, our business may be affected.

Fluctuations in interest and dividend and market value of our investments

We make substantial investments in mutual funds and bonds in order to earn income on surplus funds that are generated from our business. Although our investments are overseen by an Investment Committee and we have an investment policy in place to monitor and adjust our investment portfolio based on changing economic conditions, our income from such investments and the market value of our securities portfolio may be affected by changes in interest rates and volatility in the financial markets.

Critical Accounting Policies

Only our key accounting policies that are relevant and specific to our business and operations are described below. For details on our significant accounting policies, see "Financial Statements – Annexure IV – Notes to the Restated Unconsolidated Assets and Liabilities, Profits and Losses and Cash Flow – C.1 – Statement of significant accounting policies" and "Financial Statements – Annexure IV – Notes to the Restated Consolidated Assets and Liabilities, Profits and Losses and Cash Flow - C.1 – Statement of significant accounting policies" on pages 180 and 150, respectively, of this Prospectus.

Change in Revenue Recognition Policy for Surveillance Fees

During the financial year ended March 31, 2012, we changed our revenue recognition policy for surveillance fees. In prior years, we recognized surveillance fees in full in the year in which they became due. During the year ended March 31, 2012, we have estimated a portion of surveillance fees to be recognized as income, commensurate with the efforts involved on the date the surveillance activity is completed for the year. The balance surveillance fee is recorded equally over the 12 months surveillance period which commences one year after the date of assigning a rating. Accordingly, in our restated unconsolidated financial statements, the revenue figures appearing in the audited unconsolidated financial statements for the years ended March 31, 2008, 2009, 2010 and 2011 have been restated to provide impact in that year due to the change in estimate, and in our restated consolidated financial statements, the revenue figures appearing in the audited consolidated financial statements for the year ended March 31, 2012 and the six months ended September 30, 2012 have been restated to provide impact in that year and period, respectively, due to the change in estimate.

Change in Accounting Estimates - Change in estimated useful life of Computer Software

During the year ended March 31, 2009, we changed our useful life of computer software from six years to depreciating it fully in the year of purchase. Accordingly, in our restated unconsolidated financial statements, the depreciation figures appearing in the audited unconsolidated financial statements for the year ended March 31 2008 has been restated to provide impact in that year due to the change in estimate.

Revenue from Operations

Revenue from operations comprises income from initial rating and surveillance services, fees for technical know-how services, subscription to information services and license fees and implementation fees. Initial rating fee is recognized as income on assignment of rating by the Rating Committee. The company recognizes a portion of surveillance fees as income, commensurate with the efforts involved, on the date the surveillance activity is completed. The balance surveillance fee is recorded equally over the 12 months surveillance period which commences one year after the date of assigning a rating.

Fee for technical know-how is accounted for on accrual basis. Income on subscription to information services primarily pertains to the sale of research reports and the income thereon is recognized on sale of such reports.

As a matter of prudent policy and on the basis of past experience of recoverability of income, fees in respect of certain defined categories of clients are recognized when there is reasonable certainty of ultimate collection.

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation.

Investments

Investments are classified into current and non-current investments. Non-current investments are carried at cost. Provision for diminution, if any, is made if the decline in value is other than temporary in nature. Current investments are stated at lower of cost and fair value. Any reduction in fair value and reversals of such reduction are included in the statement of profit and loss.

Investment Income

Dividend from investments is recognized as income as and when the right to receive the same is established. Interest income is accrued on a time proportion basis over the period of investment.

Profit or loss on redemption or sale of investment is recognized on accrual basis on the trade date of the transaction.

Foreign Currency Transaction

Foreign currency transactions are recorded, on initial recognition in the reporting currency, at the prevailing rates as at the date of such transactions. Foreign currency monetary items are reported using the closing rates. Non-monetary items which are carried in terms of historical costs denominated in a foreign currency are reported using the exchange rate at the date of transaction. Exchange differences, arising on settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

Retirement Benefits

- We provide retirement benefits to our employees in the form of Provident Fund, Superannuation and Gratuity.

- Contribution to the Provident Fund is made at the prescribed rates to the provident fund trust/commissioner. Contribution to the provident fund is charged to the profit and loss account.

- Superannuation benefit is contributed to Life Insurance Corporation of India (the "LIC") at 10% of basic salary of the employees with respect to certain employees. Contribution to the superannuation fund is charged to the profit and loss account.

- We account for the liability of future gratuity benefits based on actuarial valuation. We have created a trust for future payment of gratuities which is funded through gratuity-cum-life insurance scheme of the LIC (Defined Benefit Plan).

  Long term compensated absences are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method except for short term compensated absences which are provided for based on estimates.

- Actuarial gains and losses are recognized immediately in the statement of profit and loss account as income or expenses.

Results of Operations

For the financial years ended March 31, 2011 and 2012 our restated unconsolidated profit after tax margin was 51.1% and 53.3% respectively; and for the financial year ended March 31, 2012 and the six months ended September 30, 2012, our restated consolidated profit after tax margin was 52.9% and 47.9%, respectively. For the financial years ended March 31, 2011 and 2012 our restated unconsolidated EBITDA margin on total revenue was 76.4% and 75.3%, respectively; and for the financial year ended March 31, 2012 and the six months ended September 30, 2012 our restated consolidated EBITDA margin on total revenue was 74.9% and 69.0%, respectively. For the financial years ended March 31, 2011 and 2012 our restated unconsolidated return on equity was 29.9% and 30.7%, respectively; and for the financial year ended March 31, 2012 and the six months ended September 30, 2012, our restated consolidated return on equity was 30.7% and 11.7% (not annualized), respectively.

The following table sets forth select financial data from our restated unconsolidated statement of profit and loss for the financial years ended March 31, 2009, 2010, 2011 and 2012, the components of which are also expressed as a percentage of total income for such periods.

	(Unconsolidated, Rs. in millions)							
	For the financial year ended March 31,							
	2009	**% of Total Income**	**2010**	**% of Total Income**	**2011**	**% of Total Income**	**2012**	**% of Total Income**
Income								
Revenue from Operations	941.73	94.2	1,362.03	89.6	1,664.96	96.7	1,889.82	87.0
Other Income	57.58	5.8	158.23	10.4	57.59	3.3	282.11	13.0
Total Income	**999.31**	**100.0**	**1,520.26**	**100.0**	**1,722.55**	**100.0**	**2,171.93**	**100.0**
Expenditure								
Employee Benefits Expense	152.64	15.3	215.70	14.2	307.91	17.9	410.68	18.9
Other Expenses	59.04	5.9	67.93	4.5	99.02	5.7	126.52	5.8
Depreciation	7.63	0.8	14.04	0.9	22.10	1.3	18.81	0.9
Impairment of Fixed Assets	2.27	0.2	(0.01)	(0.0)	-	-	-	-
Total Expenses	**221.58**	**22.2**	**297.66**	**19.6**	**429.03**	**24.9**	**556.01**	**25.6**
Restated Profit before Tax	**777.73**	**77.8**	**1,222.60**	**80.4**	**1,293.52**	**75.1**	**1,615.92**	**74.4**
Tax Expense/(Income)								
Current Tax	251.60	25.2	363.16	23.9	407.21	23.6	452.21	20.8
Fringe Benefit Tax	1.72	0.2	-	-	-	-	-	-
Deferred Tax Expense	0.42	0.0	2.54	0.2	6.82	0.4	6.69	0.3
Total Tax Expense	**253.74**	**25.4**	**365.70**	**24.1**	**414.03**	**24.0**	**458.90**	**21.1**
Restated Profit after Tax	**523.99**	**52.4**	**856.90**	**56.4**	**879.49**	**51.1**	**1,157.02**	**53.3**

In November 2011 we acquired a 75.1% equity interest in Kalypto, a company providing risk management software solutions. The following table sets forth select financial data from our restated consolidated statement of profit and loss for the financial year ended March 31, 2012 and the six months ended September 30, 2012, the components of which are also expressed as a percentage of total income for such periods.

	(Consolidated, Rs. in millions)			
	For the financial year ended March 31, 2012	**% of Total Income**	**For the six months ended September 30, 2012**	**% of Total Income**
Income				
Revenue from Operations	1,904.79	87.1	912.14	87.7
Other Income	283.16	12.9	127.60	12.3
Total Income	**2,187.95**	**100.0**	**1,039.74**	**100.0**
Expenditure				
Employee Benefits Expense	416.40	19.0	243.17	23.4
Other Expenses	133.31	6.1	78.66	7.6
Depreciation	21.43	1.0	19.13	1.8
Impairment of Fixed Assets	-		-	
Total Expenses	**571.14**	**26.1**	**340.96**	**32.8**
Restated Profit before Tax	**1,616.81**	**73.9**	**698.78**	**67.2**

	(Consolidated, Rs. in millions)			
	For the financial year ended March 31, 2012	% of Total Income	For the six months ended September 30, 2012	% of Total Income
Tax Expense/(Income)				
Current Tax	452.21	20.7	193.43	18.6
Fringe Benefit Tax	-	-	-	-
Deferred Tax Expense	6.69	0.3	8.51	0.8
Total Tax Expense	**458.90**	**21.0**	**201.94**	**19.4**
Minority Interest	0.22	0.0	(0.91)	(0.1)
Restated Profit after Tax	**1,157.69**	**52.9**	**497.75**	**47.9**

Income

Our income consists of revenue from operations and other income. Revenue from operations consists of

- rating income, comprised of the initial rating fee and annual surveillance fee, which is charged primarily on debt instruments and bank loans and facilities rated by us;
- fees for technical know-how services, which is income from technical assistance provided to credit rating agencies outside of India;
- the sale of publications and information services for our corporate clients; and
- license fees and implementation fees generated from our Subsidiary.

The following table sets out our key operational highlights for the periods indicated:

	During the financial year ended March 31,				During the six months ended September 30,
	2009	**2010**	**2011**	**2012**	**2012**
Total new assignments completed	1,579	1,808	2,187	5,980	3,237
Total debt instruments cumulatively rated (up to the year ended March 31 / six months ended September 30)	5,452	7,206	9,225	14,524	17,237
Total volume of debt rated (Rs. in Billions)	5,910.66	6,527.00	8,068.78	9,268.61	3,571.20
Total industry research reports completed	58	134	167	205	136
Total economic research reports completed*	11	19	60	73	39

* Excludes the Daily Debt Market Update, which is published four days a week between Tuesday and Friday, and a Debt Market Overview, published monthly.

Our other income consists principally of interest on investments, dividends on investments, profit on redemption or sale of investments, profit on sale of assets, interest on income tax refunds and miscellaneous income.

Expenses

Our total expenses consist of employee benefits expense, other expenses and depreciation and impairment.

Our employee benefits expense consists of salaries and other allowances, contribution to provident fund and gratuity and other benefits and staff welfare expenses.

Our other expenses consists principally of legal and professional fees, travelling expenses, rent, advertisement and sponsorship expenses, repairs and maintenance, directors' travel expenses, office supplies, electricity charges, sitting fees to our Rating Committee members and miscellaneous expenses.

Six Months Ended September 30, 2012 (Consolidated)

Consolidated Total Income: Our consolidated total income was Rs. 1,039.74 million for the six months ended September 30, 2012 consisting of revenue from operations and other income.

Consolidated Revenue from Operations: Our consolidated revenue from operations was Rs. 912.14 million for the six months ended September 30, 2012, primarily consisting of rating income (including surveillance) of Rs. 898.28 million. Income from license fees and implementation fees generated from our Subsidiary was Rs. 13.19 million and income from sale of publications and information services accounted for Rs. 0.67 million.

Consolidated Other Income: Our consolidated other income was Rs. 127.60 million for the six months ended September 30, 2012, primarily consisting of (a) profit on sale of investments of Rs. 51.03 million as a result of booking income upon maturity of fixed maturity plans, (b) interest on short term investments of Rs. 42.52 million and (c) interest on long term investments of Rs. 22.29 million.

Consolidated Total Expenses: Our consolidated total expenses were Rs. 340.96 million for the six months ended September 30, 2012, consisting of employee benefits expense, other expense and depreciation.

Consolidated Employee Benefits Expense: Our consolidated employee benefits expense was Rs. 243.17 million for the six months ended September 30, 2012, primarily consisting of (a) salaries and other allowances of Rs. 221.87 million, and (b) contribution to provident, gratuity and other benefits of Rs. 14.22 million.

Consolidated Other Expenses: Our consolidated other expenses were Rs. 78.66 million for the six months ended September 30, 2012, primarily consisting of travelling expenses of Rs. 14.20 million, legal and professional fees of Rs. 13.83 million, repairs and maintenance expenses of Rs. 12.45 million, miscellaneous expenses of Rs. 8.76 million and rent expenses of Rs. 6.64 million.

Depreciation: Depreciation expense was Rs. 19.13 million for the six months ended September 30, 2012 due to addition of computer software of Rs. 7.02 million.

Taxation: Our provision for current tax was Rs. 193.43 million for the six months ended September 30, 2012 and our provision for deferred tax for the six months ended September 30, 2012 was Rs. 8.51 million. Our effective tax rate for the six months ended September 30, 2012 was 28.9%.

Consolidated Net Profit, as Restated: As a result of the above, our consolidated net profit, as restated, was Rs. 497.75 million for the six months ended September 30, 2012.

Financial Year 2012 (Consolidated)

Consolidated Total Income: Our consolidated total income was Rs. 2,187.95 million for the financial year 2012 consisting of revenue from operations and other income.

Consolidated Revenue from Operations: Our consolidated revenue from operations was Rs. 1,904.79 million for the financial year 2012 primarily consisting of rating income (including surveillance) of Rs. 1,877.57 million, primarily as a result of expansion of our ratings business. Income from license fees and implementation fees generated from our Subsidiary was Rs. 14.97 million, income from sale of publications and information services accounted for Rs. 10.51 million, and income from fees for technical know-how services was Rs. 1.74 million.

Consolidated Other Income: Our consolidated other income was Rs. 283.16 million for the financial year 2012, primarily consisting of (a) profit on sale of investments of Rs. 145.41 million as a result of booking income upon maturity of fixed maturity plans, (b) interest on long term investments of Rs. 84.74 million as a result of an increase in investment in corporate commercial paper and bank deposits, and (c) dividends from short term investments of Rs. 31.61 million.

Consolidated Total Expenses: Our consolidated total expenses were Rs. 571.14 million for the financial year 2012.

Consolidated Employee Benefits Expense: Our consolidated employee benefits expense was Rs. 416.40 million for the financial year 2012 primarily consisting of (a) salaries and other allowances of Rs. 375.09 million, and (b) contribution to provident, gratuity and other benefits of Rs. 26.79 million, both. The increase in our consolidated employee benefits expense was also as a result of the acquisition of our Subsidiary during the financial year 2012, which accounted for Rs. 5.72 million during such period.

Consolidated Other Expenses: Our consolidated other expenses were Rs. 133.31 million for the financial year 2012 primarily consisting of legal and professional fees of Rs. 28.93 million, travelling expenses of Rs. 25.35 million, rent expenses of Rs. 14.55 million, miscellaneous expenses of Rs. 11.94 million and advertisement and sponsorship expenses of Rs. 5.26 million.

Depreciation: Depreciation expense was Rs. 21.43 million for the financial year 2012 due to the addition of computer software, which is depreciated 100% in the year of acquisition. Additionally, depreciation expense increased by Rs. 2.62 million during the financial year 2012 as a result of the acquisition of our Subsidiary during such period.

Taxation: Our provision for current tax was Rs. 452.21 million for the financial year 2012 and our provision for deferred tax for the financial year 2012 was Rs. 6.69 million. Our consolidated effective tax rate for the financial year 2012 was 28.4%.

Consolidated Net Profit, as Restated: As a result of the above, our consolidated net profit, as restated, was Rs. 1,157.69 million for the financial year 2012.

Financial Year 2012 compared to Financial Year 2011 (Unconsolidated)

Our results of operations for the financial year 2012 showed a decent growth over the financial year 2011 despite increasing interest rates and tight liquidity conditions, combined with the slowdown in investment activity in India, which adversely affected the debt market. In an environment of rising interest rates, the Euro crisis and slow economic growth, both in India and globally, clients continued to hold back on capital investments and long term borrowing programs, as well as short term commercial paper issuances. However, we continued to increase our client base and the number of new rating assignments, which partially offset the decrease in the size of debt facilities rated by us. We also continued to recognize annuitized surveillance income from the high growth in previous years. The number of rating assignments completed by us increased by 173.4% to 5,980 for the financial year 2012 from 2,187 for the financial year 2011, and there was an increase of 14.9% in the volume of debt rated to Rs. 9,268.61 billion for the financial year 2012 from Rs. 8,068.78 billion for the financial year 2011.

Total Income: Our total income increased by 26.1% to Rs. 2,171.93 million for the financial year 2012 from Rs. 1,722.55 million for the financial year 2011 as a result of an increase in revenue from operations and an increase in other income.

Revenue from Operations: Our revenue from operations increased by 13.5% to Rs. 1,889.82 million for the financial year 2012 from Rs. 1,664.96 million for the financial year 2011 primarily as a result of expansion of our ratings business. Our rating income (including surveillance) increased by 13.6% to Rs. 1,877.56 million for the financial year 2012 from Rs. 1,653.17 million for the financial year 2011 on account of an increase in the volume of debt we rated, which was driven by a 30.6% increase with respect to bank loans and facilities, and partially offset by a decrease of 13.6% with respect to debt instruments. We also recognized an increase in income from sale of publications and information services of 28.9% to Rs. 10.52 million for the financial year 2012 from Rs. 8.16 million for the financial year 2011. Our increase in total income was offset by a decrease in fees for technical know-how services of 52.1% to Rs. 1.74 million for the financial year 2012 from Rs. 3.63 million for the financial year 2011, as a result of receiving non-recurring payments for technical services and the completion of special assignments in the financial year 2011.

Other Income: Our other income increased by 389.9% to Rs. 282.11 million for the financial year 2012 from Rs. 57.59 million for the financial year 2011, primarily as a result of (a) an increase in profit on sale of investments of 604.5% to Rs. 145.42 million for the financial year 2012 from Rs. 20.64 million for the financial year 2011 as a result of booking income upon maturity of fixed maturity plans, (b) an increase in interest on long term investments of 1,035.9% to Rs. 84.74 million for the financial year 2012 from Rs. 7.46 million for the financial year 2011 as a result of an increase in investment in corporate commercial paper and bank deposits; and (c) an increase in dividend on long term investments of 100.2% to Rs. 31.61 million for the financial year 2012 from Rs. 15.79 million for the financial year 2011 and an increase in dividend on short term investments of 168.42% to Rs. 1.53 million for the financial year 2012 from Rs. 0.57 million for the financial year 2011.

Total Expenses: Our total expenses increased by 29.6% to Rs. 556.01 million for the financial year 2012 from Rs. 429.03 million for the financial year 2011 as a result of an increase in employee benefits expense and an increase in other expenses, which was partially offset by a decrease in depreciation.

Employee Benefits Expense: Our employee benefits expense increased 33.4% to Rs. 410.68 million for the financial year 2012 from Rs. 307.91 million for the financial year 2011 primarily due to (a) an increase in salaries and other allowances of 34.3% to Rs. 369.83 million for the financial year 2012 from Rs. 275.36 million for the financial year 2011, and (b) an increase in staff welfare expenses of 127.7% to Rs. 14.48 million for the financial year 2012 from Rs. 6.36 million for the financial year 2011, both as a result of an increase in the number of employees to 500 as of March 31, 2012 from 310 as of March 31, 2011, which was driven primarily by growth in our business development team and staff needed to improve our technology platform and the addition of employees at the CARE Knowledge Center located at the Ahmedabad office.

Other Expenses: Our other expenses increased by 27.8% to Rs. 126.52 million for the financial year 2012 from Rs. 99.02 million for the financial year 2011 primarily as a result of an increase in legal and professional fees of 40.0% to Rs. 27.91 million for the financial year 2012 from Rs. 19.94 million for the financial year 2011, an increase in travelling and conveyance expenses of 23.2% to Rs. 23.59 million for the financial year 2012 from Rs. 19.15 million for the financial year 2011, an increase in rent of 158.6% to Rs. 13.24 million for the financial year 2012 from Rs. 5.12 million for the financial year 2011, an increase in electricity charges of 28.3% to Rs. 8.07 million for the financial year 2012 from Rs. 6.29 million for the financial year 2011 and an increase in bad debts written off of 168.9% to Rs. 3.98 million for the financial year 2012 from Rs. 1.48 million for the financial year 2011. Such increase was partially offset by a decrease in advertisement and sponsorship expenses of 42.7% to Rs. 5.26 million for the financial year 2012 from Rs. 9.18 million for the financial year 2011 and a decrease in sitting fees to the rating committee of 23.6% to Rs. 3.23 million for the financial year 2012 from Rs. 4.23 million for the financial year 2011.

Depreciation: Depreciation expense decreased by 14.9% to Rs. 18.81 million for the financial year 2012 from Rs. 22.10 million for the financial year 2011 due to lower addition of computer software in the financial year 2012 compared to the financial year 2011, which is fully depreciated in the year of addition.

Taxation: Our provision for current taxes increased by 11.1% to Rs. 452.21 million for the financial year 2012 from Rs. 407.21 million for the financial year 2011. Our provision for deferred tax for the financial year 2012 was Rs. 6.69 million, compared to Rs. 6.82 million for the financial year 2011. Our effective tax rate for the financial year 2012 was 28.4%.

Net Profit, as Restated: As a result of the above, our net profit, as restated, increased by 31.6% to Rs. 1,157.02 million for the financial year 2012 from Rs. 879.49 million for the financial year 2011.

Financial Year 2011 compared to Financial Year 2010

Our results of operations for the financial year 2011 showed a decent growth over the financial year 2010 despite interest rate increases and high inflation resulting in tight liquidity conditions, especially toward the end of the year, combined with the slowdown in investment activity in India, which adversely affected the debt market. In an environment of rising interest rates and slow economic growth, both in India and globally, clients held back on capital investments and long term borrowing programs, as well as short term commercial paper issuances. The lower growth in new ratings business, however, was offset by continuing surveillance income from the high growth in previous years. The number of rating assignments completed by us increased by 21.0% to 2,187 for the financial year 2011 from 1,808 for the financial year 2010. There was, correspondingly, an increase of 23.6% in the volume of debt rated to Rs. 8,068.78 billion for the financial year 2011 from Rs. 6,527.00 billion for the financial year 2010.

Total Income: Our total income increased by 13.3% to Rs. 1,722.55 million for the financial year 2011 from Rs. 1,520.26 million for the financial year 2010 as a result of an increase in revenue from operations, partially offset by a decrease in other income.

Revenue from Operations: Our revenue from operations increased by 22.2% to Rs. 1,664.96 million for the financial year 2011 from Rs. 1,362.03 million for the financial year 2010 primarily as a result of expansion of our ratings business. Our rating income (including surveillance) increased by 21.8% to Rs. 1,653.17 million for the financial year 2011 from Rs. 1,357.83 million for the financial year 2010 on account of an increase in the volume of debt we rated, which was driven by a 46.6% increase with respect to bank loans and facilities, and partially offset by a 3.7%

decrease with respect to debt instruments. We also recognized an increase in revenue from sale of publications and information services to Rs. 8.16 million for the financial year 2011 from Rs. 2.25 million for the financial year 2010 and an increase in fees for technical know-how services to Rs. 3.63 million for the financial year 2011 from Rs. 1.95 million for the financial year 2010 as a result of receipt of milestone payments for technical services from other rating agencies, including HR Ratings de Mexico, S.A. de C.V., Suma Rating Agency and National Credit Rating Co. Ltd. We also received fees on account of completion of special assignments for Capital Market Development Authority and Asian Development Bank in the financial year 2011.

Other Income: Our other income decreased by 63.6% to Rs. 57.59 million for the financial year 2011 from Rs. 158.23 million for the financial year 2010, primarily as a result of (a) a decrease in profit on sale of investments of 80.8% to Rs. 20.64 million for the financial year 2011 from Rs. 107.63 million for the financial year 2010 as a result of investment in fixed maturity plans in previous years, the income from which will be recognized on maturity, (b) a decrease in miscellaneous income of 64.8% to Rs. 0.25 million for the financial year 2011 from Rs. 0.71 million for the financial year 2010 as a result of reversal of excess provisions and (c) a decrease in dividends on long term investments of 56.7% to Rs. 15.79 million for the financial year 2011 from Rs. 36.46 million for the financial year 2010, partially offset by an increase in interest on investments of 55.6% to Rs. 19.67 million for the financial year 2011 from Rs. 12.64 million for the financial year 2010.

Total Expenses: Our total expenses increased by 44.1% to Rs. 429.03 million for the financial year 2011 from Rs. 297.66 million for the financial year 2010 as a result of an increase in employee benefits expense, an increase in other expenses and an increase in depreciation.

Employee Benefits Expense: Our employee benefits expense increased 42.7% to Rs. 307.91 million for the financial year 2011 from Rs. 215.70 million for the financial year 2010 due to (a) an increase in salaries and other allowances of 41.0% to Rs. 275.36 million for the financial year 2011 from Rs. 195.35 million for the financial year 2010, and (b) an increase in contribution to provident, gratuity and other benefits of 172.0% to Rs. 26.19 million for the financial year 2011 from Rs. 9.63 million for the financial year 2010, both as a result of an increase in the number of employees to 310 as of March 31, 2011 from 222 as of March 31, 2010, which was driven primarily by growth in our business development team and staff needed to improve our technology platform and the addition of employees at the CARE Knowledge Center located at the Ahmedabad office. The increase in employee benefits expense was partially offset by a decrease in staff welfare expenses of 40.7% to Rs. 6.36 million for the financial year 2011 from Rs. 10.72 million for the financial year 2010 as a result of discontinuation of the foodplus card program for employees.

Other Expenses: Our other expenses increased by 45.8% to Rs. 99.02 million for the financial year 2011 from Rs. 67.93 million for the financial year 2010 primarily as a result of an increase in legal and professional fees of 123.5% to Rs. 19.94 million for the financial year 2011 from Rs. 8.92 million for the financial year 2010, an increase in travelling and conveyance expenses of 53.1% to Rs. 19.15 million for the financial year 2011 from Rs. 12.51 million for the financial year 2010 and an increase in advertisement and sponsorship expenses of 385.7% to Rs. 9.18 million for the financial year 2011 from Rs. 1.89 million for the financial year 2010.

Depreciation: Depreciation expense increased by 57.4% to Rs. 22.10 million for the financial year 2011 from Rs. 14.04 million for the financial year 2010 due to the addition of fixed assets, mainly due to addition of new office space in Mumbai and fully depreciating computer software acquired during the financial year 2011.

Taxation: Our provision for current taxes increased by 12.1% to Rs. 407.21 million for the financial year 2011 from Rs. 363.16 million for the financial year 2010. Our provision for deferred tax for the financial year 2011 was Rs. 6.82 million, compared to Rs. 2.54 million for the financial year 2010. Our effective tax rate for the financial year 2011 was 32.0%.

Net Profit, as Restated: As a result of the above, our net profit, as restated, increased by 2.6% to Rs. 879.49 million for the financial year 2011 from Rs. 856.90 million for the financial year 2010.

Financial Year 2010 compared to Financial Year 2009

Our results of operations for the financial year 2010 were particularly affected by the strong performance of debt issuance by the corporate sector, due to higher industrial and business growth aided by a global recovery as compared to the financial year 2009. The number of assignments rated by us increased by 14.5% to 1,808 for the financial year 2010 from 1,579 for the financial year 2009. There was, correspondingly, an increase of 10.4% in the volume of debt rated to Rs. 6,527.00 billion for the financial year 2010 from Rs. 5,910.66 billion for the financial year 2009.

Total Income: Our total income increased by 52.1% to Rs. 1,520.26 million for the financial year 2010 from Rs. 999.31 million for the financial year 2009 as a result of an increase in revenue from operations and an increase in other income.

Revenue from Operations: Our revenue from operations increased by 44.6% to Rs. 1,362.03 million for the financial year 2010 from Rs. 941.73 million for the financial year 2009 primarily as a result of an increase in rating income of 46.2% to Rs. 1,357.83 million for the financial year 2010 from Rs. 929.05 million for the financial year 2009 on account of an increase in the volume of ratings we completed for commercial paper and debt instruments, which was driven by the strong performance of debt issuance by the corporate sector. Our increase in ratings income was offset as a result of decrease in income from fees for technical know-how services of 80.3% to Rs. 1.95 million for the financial year 2010 from Rs. 9.90 million for the financial year 2009, as a result of a delay in receipt of fees from HR Ratings de Mexico, S.A. de C.V., which was received in the financial year 2011, and a decrease in sale of publications and information services of 19.1% to Rs. 2.25 million for the financial year 2010 from Rs. 2.78 million for the financial year 2009. In addition, we discontinued providing advisory services in the financial year 2010, which accounted for Rs. 6.82 million for the financial year 2009.

Other Income: Our other income increased by 174.8% to Rs. 158.23 million for the financial year 2010 from Rs. 57.58 million for the financial year 2009, primarily as a result of (a) an increase in profit on sale of investments to Rs. 107.63 million for the financial year 2010 from Rs. 41.66 million for the financial year 2009 as a result of booking income upon maturity of fixed maturity plans, (b) an increase in dividends received to Rs. 36.46 million for the financial year 2010 from Rs. 5.69 million for the financial year 2009. Our other income also increased as a result of an increase of interest on investments of 130.2% to Rs. 12.57 million for the financial year 2010 from Rs. 5.46 million for the financial year 2009.

Total Expenses: Our total expenses increased by 34.3% to Rs. 297.66 million for the financial year 2010 from Rs. 221.58 million for the financial year 2009 as a result of an increase in employee benefits expense, an increase in other expenses and an increase in depreciation in line with our business expansion.

Employee Benefits Expense: Our employee benefits expense increased 41.3% to Rs. 215.70 million for the financial year 2010 from Rs. 152.64 million for the financial year 2009 due to (a) an increase in salaries and other allowances of 42.4% to Rs. 195.35 million for the financial year 2010 from Rs. 137.23 million for the financial year 2009 due to an increase in employee strength and a general increase in salaries and promotions, (b) an increase in staff welfare expenses of 177.7% to Rs. 10.72 million for the financial year 2010 from Rs. 3.86 million for the financial year 2009 and (c) an increase in contribution to provident, gratuity and other benefits of 38.4% to Rs. 9.63 million for the financial year 2010 from Rs. 6.96 million for the financial year 2009, each as a result of an increase in the number of employees to 222 as of March 31, 2010 from 158 as of March 31, 2009.

Other Expenses: Our other expenses increased by 15.0% to Rs. 67.93 million for the financial year 2010 from Rs. 59.04 million for the financial year 2009 primarily as a result of an increase in legal and professional fees of 85.4% to Rs. 8.92 million for the financial year 2010 from Rs. 4.81 million for the financial year 2009, an increase in rent of 8.8% from Rs. 5.56 million for the financial year 2010 from Rs. 5.11 million for the financial year 2009, an increase in electricity charges of 46.9% to Rs. 4.54 million for the financial year 2010 from Rs. 3.09 million for the financial year 2009 and an increase in sitting fees to rating committee of 84.3% to Rs. 4.24 million for the financial year 2010 from Rs. 2.30 million for the financial year 2009. The increase was partially offset by decreases in travelling expenses and other miscellaneous expenses.

Depreciation: Depreciation expense increased by 84.0% to Rs. 14.04 million for the financial year 2010 from Rs. 7.63 million for the financial year 2009 primarily on account of the addition of fixed assets and fully depreciating computer software during the financial year 2010.

Taxation: Our provision for current taxes increased by 44.3% to Rs. 363.16 million for the financial year 2010 from Rs. 251.60 million for the financial year 2009. Our provision for deferred tax for the financial year 2010 was Rs.

2.54 million, compared to Rs. 0.42 million for the financial year 2009, and our provision for fringe benefit tax for the financial year 2009 was Rs. 1.72 million. Our effective tax rate for the financial year 2010 was 29.9%.

Net Profit, as Restated: As a result of the above, our net profit, as restated, increased by 63.5% to Rs. 856.90 million for the financial year 2010 from Rs. 523.99 million for the financial year 2009.

Financial Condition, Liquidity and Capital Resources

In the past, we have funded our liquidity and capital requirements primarily through funds generated from operations. We have historically not borrowed money to operate or grow our business. We maintain cash balance to fund our daily cash requirements. We generally receive our rating fee in advance.

Cash Flows

The following table summarizes our restated unconsolidated statements of cash flows for the periods presented:

	Unconsolidated (Rs. in millions)			
	Financial Year			
	2012	2011	2010	2009
Net cash generated from / (used in) operating activities	979.47	854.50	747.82	504.82
Net cash generated from / (used in) financing activities	(403.75)	(55.64)	(37.64)	(21.71)
Net cash generated from / (used in) investing activities	25.08	(808.14)	(674.60)	(470.74)
Net Increase / (Decrease) in cash and cash equivalents	600.80	(9.28)	35.58	12.37
Cash and cash equivalents at the beginning of the year	85.19	94.47	58.89	46.52
Cash and cash equivalents at the end of the year	685.99	85.19	94.47	58.89

The following table summarizes our restated consolidated statements of cash flows for the period presented:

	Consolidated (Rs. in millions)
	Financial Year 2012
Net cash generated from / (used in) operating activities	981.93
Net cash generated from / (used in) financing activities	(397.86)
Net cash generated from / (used in) investing activities	(71.21)
Net Increase / (Decrease) in cash and cash equivalents	512.86
Cash and cash equivalents at the beginning of the year	180.74
Cash and cash equivalents acquired during the year	8.90
Cash and cash equivalents at the end of the year	702.50

Operating Activities

Unconsolidated net cash generated from our operating activities was Rs. 979.47 million for the financial year 2012, and consisted of net profit before taxes of Rs. 1,615.92 million, as adjusted for a number of items, including, among others:

- income from investment of Rs. 281.92 million;
- depreciation and impairment of Rs. 18.81 million on our fixed assets;
- provision for leave encashment of Rs. 9.34 million; and
- unrealized foreign exchange loss of Rs. 0.01 million;

which was partially offset by working capital adjustments, including:

- direct taxes paid of Rs. 494.79 million;
- an increase of unearned revenue of Rs. 111.45 million, consisting of deferred surveillance revenue;

- an increase in trade payables and other liabilities of Rs. 42.45 million;
- an increase in trade receivables of Rs. 33.00 million reflecting growth in our business; and
- an increase in loans and advances and other current assets of Rs. 8.80 million.

Unconsolidated net cash generated from our operating activities was Rs. 854.50 million for the financial year 2011, and consisted of net profit before taxes of Rs. 1,293.52 million, as adjusted for a number of items, including, among others:

- income from investment of Rs. 56.66 million;
- depreciation and impairment of Rs. 22.10 million on our fixed assets;
- provision for gratuity of Rs. 6.80 million;
- provision for leave encashment of Rs. 4.94 million; and
- loss on sale of fixed assets of Rs. 0.72 million;

which was partially offset by working capital adjustments, including:

- direct taxes paid of Rs. 429.29 million;
- an increase in trade receivables of Rs. 55.67 million reflecting growth in our business;
- an increase in unearned revenue of Rs. 43.72 million, consisting of deferred surveillance revenue;
- an increase in trade payables and other liabilities of Rs. 25.96 million; and
- an increase in loans and advances and other current assets of Rs. 1.64 million.

Unconsolidated net cash generated from our operating activities was Rs. 747.82 million for the financial year 2010, and consisted of net profit before taxes of Rs. 1,222.60 million, as adjusted for a number of items, including, among others:

- income from investment of Rs. 156.73 million;
- depreciation and impairment of Rs. 14.03 million on our fixed assets;
- provision for leave encashment of Rs. 6.80 million;
- provision for gratuity of Rs. 2.43 million; and
- loss on sale of fixed assets of Rs. 1.34 million,

which was partially offset by working capital adjustments, including:

- direct taxes paid of Rs. 372.43 million;
- an increase in trade payables and other liabilities of Rs. 26.22 million;
- provision for unearned revenue of Rs. 17.70 million, consisting of deferred surveillance revenue;
- an increase in trade receivables of Rs. 13.78 million reflecting growth in our business; and
- a decrease in loans and advances and other current assets of Rs. 4.50 million;

Financing Activities

Unconsolidated net cash used in financing activities was Rs. 403.75 million in the financial year 2012, as a result of dividend and dividend tax paid.

Unconsolidated net cash used in financing activities was Rs. 55.64 million in the financial year 2011, as a result of dividend and dividend tax paid.

Unconsolidated net cash used in financing activities was Rs. 37.64 million in the financial year 2010, primarily due to dividend and dividend tax paid of Rs. 36.77 million and a refund of share application money received under our employee stock option scheme of Rs. 1.11 million, offset by Rs. 0.24 million received towards subscription to share capital.

Investing Activities

Unconsolidated net cash generated from investing activities was Rs. 25.08 million for the financial year 2012, as a result of proceeds from sale of investments of Rs. 4,510.60 million and income from investments of Rs. 219.11 million, partially offset by the purchase of long term investments of Rs. 4,533.53 million, investment in our Subsidiary, Kalypto, of Rs. 89.40 million, the purchase of fixed assets of Rs. 81.70 million.

Unconsolidated net cash used in investing activities was Rs. 808.14 million for the financial year 2011, as a result of the purchase of long term investments of Rs. 2,078.95 million and the purchase of fixed assets, including expenditure on capital work in progress of Rs. 139.11 million, partially offset by proceeds from the sale of investments of Rs. 1,352.76 million, income from investments of Rs. 56.66 million and sale of fixed assets of Rs. 0.50 million.

Unconsolidated net cash used in investment activities was Rs. 674.60 million for the financial year 2010, as a result of the purchase of long term investments of Rs. 3,274.05 million and the purchase of fixed assets of Rs. 143.23 million, partially offset by proceeds from the sale of investments of Rs. 2,585.29 million, income from investments of Rs. 156.73 million and sale of fixed assets of Rs. 0.66 million.

Contingent Liabilities

Contingent liabilities primarily relate to claims against our Company not acknowledged as debts relating to income tax claims disputed by our Company.

The principal components of our contingent liabilities as of the dates indicated are set forth below:

Contingent Liabilities	**(Rs. in millions)**				
	As of March 31,				
	2012 (Consolidated)	**2012 (Unconsolidated)**	**2011**	**2010**	**2009**
Claims against us not acknowledged as debts	26.58	26.58	12.58	-	0.37
Unexpired capital commitments	-	-	1.25	-	-
Total	**26.58**	**26.58**	**13.83**	**-**	**0.37**

For a description of our contingent liabilities, see "Financial Statements – Annexure IV – Notes to the Restated Unconsolidated Assets and Liabilities, Profits and Losses and Cash Flow – C.2.2 – Contingent Liabilities not provided for" and "Financial Statements – Annexure IV – Notes to the Restated Consolidated Assets and Liabilities, Profits and Losses and Cash Flow – C.2.2 – Contingent Liabilities not provided for" on pages 180 and 150, respectively, of this Prospectus.

Investments

Investments of our surplus funds is in accordance with our investment policy, as approved by the Board from time to time. As per our current investment policy, we can invest, *inter alia*, in fixed deposits with banks, money market instruments with a minimum stipulated credit rating, debentures of companies and bonds of public sector units with a minimum stipulated credit rating, treasury bills. Subject to certain caps, we can also invest in debt mutual funds, equity (including IPOs/FPOs and secondary market), equity-linked products, commodity and commodity traded funds and gold exchange-traded funds. However, currently we do not have any direct investments in equity (including IPOs/FPOs and secondary market) or commodity and commodity traded funds.

We hold long-term investment securities, including bonds, open-ended debt mutual funds, fixed maturity plan debt mutual funds and equity mutual funds. Our total investments as of the dates indicated are set forth below:

					(Rs. in millions)
Investments	**As of March 31,**				**As of September 30**
	2009	**2010**	**2011**	**2012**	**2012**
Quoted Securities	**1,075.18**	**1,246.35**	**2,319.50**	**2,437.00**	**2,877.12**
Unquoted Securities	**96.34**	**613.92**	**266.97**	**311.79**	**587.46**
Open-ended debt mutual funds	96.34	613.92	256.40	127.79	341.57
Investment in Subsidiary	-	-	-	89.40	89.40
Equity mutual funds	-	-	10.57	94.60	156.49
Total	**1,171.52**	**1,860.27**	**2,586.47**	**2,748.79**	**3,464.58**

For details relating to our investments, see "Significant Factors Affecting our Results of Operations – Fluctuations in interest and dividend and market value of our investments" on page 208 of this Prospectus.

Capital Expenditures

Our business has not in the past required, and is not in the future expected to require, substantial capital expenditure. Our capital expenditures are principally on purchase of fixed assets, such as office space, furniture and fixtures, computers and other office equipment.

Contractual Obligations

The following table sets forth information on certain material contractual obligations as of September 30, 2012:

					(Rs. in millions)
Contingent Obligations	**By Payment Due Dates**				
	Total	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Long-term debt	-	-	-	-	-
Capital lease obligations	-	-	-	-	-
Operating lease obligations	13.81	4.63	9.18	-	-
Purchase obligations	24.39	24.39		-	-
Other long-term liabilities	-	-	-	-	-
Total	**38.20**	**29.02**	**9.18**	**-**	**-**

Off Balance Sheet Arrangements

We do not have any off balance sheet arrangements or other relationships with unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off balance sheet arrangements**.**

Related Party Transactions

We have engaged in the past, and may engage in the future transactions with related parties on an arm's lengths basis. Such transactions could be for provision of services, lease of assets or property, sale or purchase of equity shares or entail incurrence of indebtedness. For details of our related party transactions, see "Financial Statements – Annexure IV – Notes to the Restated Unconsolidated Assets and Liabilities, Profits and Losses and Cash Flow – C.2.12 – Related Party Transactions" and "Financial Statements – Annexure IV – Notes to the Restated Consolidated Assets and Liabilities, Profits and Losses and Cash Flow – C.2.8 – Related Party Transactions" on pages 188 and 156, respectively, of this Prospectus.

Quantitative and Qualitative Disclosures about Market Risk

Volatility in financial markets

We are subject to risks arising from volatility in the financial markets. Our consolidated investments in commercial paper, certificates of deposit, bonds and mutual funds as on September 30, 2012 were Rs. 3,375.18 million (other than investments in bank fixed deposits) and the consolidated income derived from such investments (comprising interest, dividend and net capital gains) aggregated to Rs. 245.57 million and Rs. 105.72 million (excluding interest from investments in bank fixed deposits) for the financial year 2012 and the six months ended September 30, 2012, respectively. Any volatility in the financial markets may impact our income from the investments and the market value of our investments.

Currency Exchange Risk

Changes in currency exchange rates do not materially influence our results of operations. We report our financial results in Indian Rupees; however a small portion of our total income is generated in currencies other than Indian Rupees. We provide ratings and technical assistance services outside India, including risk management services through our Subsidiary, and we plan to continue our focus on expanding our international operations. We also have provided information services payable in foreign currencies. For the financial year 2012 and the six months ended September 30, 2012, our consolidated revenue generated in foreign currency amounted to Rs. 25.68 million and Rs. 13.11 million, respectively. As we expand our international operations, we may become vulnerable to any fluctuation in the exchange rates, which could affect our profit margins in respect to such services.

Inflation Risk

Although India has experienced fluctuation in inflation rates in recent years, inflation has not had a direct impact on our business or results of operation. However, over the past two years, the RBI has attempted to manage inflation by continuously raising key interest rates, which has negatively impacted the issuance of debt instruments and the provision of bank loans and facilities in India, which has affected our business. Though very recently key interest rates have been reduced, inflation continues to be at higher than desirable levels.

Other Qualitative Factors

Seasonality of Business

Our revenues and results are not affected by seasonal factors. However, we experience lower revenues in the first quarter of a financial year due to typically lower debt issuance by corporate clients in this period.

Unusual or Infrequent Events or Transactions

Except as described in this Prospectus, there have been no events or transactions to our knowledge which may be described as “unusual” or infrequent”.

Significant Regulatory Changes

Except as described in the section “Regulations and Policies” in this Prospectus, to our knowledge, there are no significant regulatory changes that materially affected or are likely to affect our income from continuing operations.

Known Trends or Uncertainties

Other than as described in the sections “Risk Factors” and “Management's Discussion and Analysis of Financial Conditions and Results of Operations” on pages 15 and 204, respectively, of this Prospectus, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

Future relationship between costs and income

Other than as described in the sections “Risk Factors” and “Management’s Discussion and Analysis of Financial

Condition and Results of Operations” on pages 15 and 204, respectively, and elsewhere in this Prospectus, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company.

Competitive Conditions

We expect competition in the ratings sector from existing and potential competitors to intensify. For further details, see “Risk Factors - Competition may affect market share or profitability which could have an adverse effect on our business, financial condition and revenues” on page 18 of this Prospectus.

New Product or Business Segment

Other than as described in the section “Our Business” on page 97 of this Prospectus, there are no new products or business segments.

Dependent on a Single or Few Customers

Our revenue is not dependent on a single or a few customers.

Significant Developments after September 30, 2012 that may affect our future Results of Operations

To our knowledge and belief, no circumstances other than as those disclosed in this Prospectus have arisen since the date of the last financial statements contained in this Prospectus which materially affect or are likely to affect, the trading and profitability of our Company, or the value of our assets or our ability to pay material liabilities within the next 12 months.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below, there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, the Directors and our Subsidiary and there are no defaults, non payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, the Directors and our Subsidiary.

For details of contingent liabilities of our Company on unconsolidated and consolidated basis, refer to "Financial Statements – Annexure IV – Notes to the Restated Unconsolidated Assets and Liabilities, Profits and Losses and Cash Flow – C.2.2 – Contingent Liabilities not provided for" and "Financial Statements – Annexure IV – Notes to the Restated Consolidated Assets and Liabilities, Profits and Losses and Cash Flow – C.2.2 – Contingent Liabilities not provided for" on pages 180 and 150 of this Prospectus.

Litigation involving our Company

Litigation against our Company

Civil Cases

1. Kirit Somaiya and others have filed a public interest litigation before the High Court of Bombay against CRB Capital Markets Limited ("**CRB**"), our Company, SEBI, RBI and others. The matter is in relation to the fixed deposit schemes floated by CRB and it has been alleged that CRB has committed fraud in the fund raising activities undertaken by it. It has also been alleged that our Company has acted in a negligent manner while rating the fixed deposit scheme floated by CRB. The petitioners have sought, among other things, a direction from the High Court of Bombay directing our Company to disclose the details of investigations and enquiries made by our Company at the time of granting a rating of "A+" to the fixed deposit scheme of CRB. Our Company has filed its reply stating the process followed by our Company in rating an instrument. Our Company has also stated in its reply that the rating of "A+" granted to the fixed deposit scheme of CRB was downgraded to "C" by our Company upon a prohibition by RBI on CRB from accepting further deposits in any form whether as fresh deposits or by way of renewal with immediate effect. This rating was further downgraded by our Company to "D" which indicates an instrument in default. Our Company has stated that both instances of downgrading in rating were published by way of press releases dated April 25, 1997 and May 19, 1997. Further, another public interest litigation has been filed by Consumer Education & Research Society Suraksha Sankool, Ahmedabad in 1998 against the Union of India, CRB, our Company, SEBI, RBI and others before the High Court of Gujarat in relation to the same matter alleging fraud by CRB in its fund raising activities and alleging irregularities and negligence on the part of SEBI, RBI, our Company and others while carrying out their respective functions in connection with the fund raising by CRB. Our Company has filed its reply. The aforesaid petitions have been transferred to the High Court of Delhi by an order passed by the Supreme Court of India in 1999 in the transfer petition filed by Official Liquidator against Kirit Somaiya and others. The matter is currently pending.

Consumer complaints

1. S.V. Ispat Private Limited (the "**Complainant**") filed a consumer complaint against our Company on July 24, 2012 before the District Consumer Dispute Redressal Forum, Pune. The Complainant has, *inter alia*, alleged that our Company has issued lower ratings to it without taking into consideration some vital facts and has failed to issue bank loan rating report despite of taking fees from the Complainant. The Complainant has prayed for directions against our Company, including issuing bank loan rating report for the financial year 2011-12 to the Complainant. Our Company has filed written submissions with the

District Consumer Dispute Redressal Forum, Pune in response to the complaint on September 12, 2012. The matter is currently pending.

Income Tax Cases

1. *Assessment Year 2006-07:* Our Company has filed an appeal dated April 26, 2011 before the Commissioner of Income Tax (Appeals) – XIV, Mumbai against the assessment order dated March 16, 2011 by the Assessing Officer along with the notice of demand. Our Company has challenged demand of Rs. 3.02 million (including interest) for short deduction/collection of TDS and non payment of TDS after deduction. Our Company has claimed that TDS deducted during the Assessment Year 2006-07 was remitted to the treasury within the prescribed time and statements prescribed under Section 200(3) of the Income Tax Act was duly submitted. The matter is currently pending.

2. *Assessment Year 2007-08:* Our Company has filed an appeal dated April 26, 2011 before the Commissioner of Income Tax (Appeals) – XIV, Mumbai against the assessment order dated March 12, 2011 by the Assessing Officer along with the notice of demand. Our Company has challenged demand of Rs. 6.13 million (including interest) for short deduction/collection of TDS and non payment of TDS after deduction. Our Company has claimed that TDS deducted during the Assessment Year 2007-08 was remitted to the treasury within the prescribed time and statements prescribed under Section 200(3) of the Income Tax Act was duly submitted. The matter is currently pending.

3. *Assessment Year 2009-10*

   - Our Company has filed an appeal dated April 26, 2011 before the Commissioner of Income Tax (Appeals), Mumbai against the assessment order dated March 12, 2011 by the Assessing Officer along with the notice of demand. Our Company has challenged demand of Rs. 3.43 million (including interest) for short deduction/collection of TDS and non-payment of TDS after deduction. Our Company has claimed that TDS deducted during the Assessment Year 2009-10 was remitted to the treasury within the prescribed time and statements prescribed under Section 200(3) of the Income Tax Act were duly submitted. The matter is currently pending.

   - Our Company has filed an appeal dated February 8, 2012 before the Commissioner of Income Tax (Appeals), Mumbai against the assessment order dated December 21, 2011 by the Additional Commissioner of Income Tax, Range 6(2), Mumbai along with the notice of demand. Our Company has challenged demand of Rs. 4.80 million on account of disallowance of expenses added back under Section 14 of the Income Tax Act in relation to investments, provisions for performance related pay of directors and staff, provision made for gratuity and expenditure towards club membership fee for family members of the Directors. The Additional Commissioner of Income Tax, Range 6(2), Mumbai has also issued a penalty notice dated December 21, 2011 under Section 294 read with Section 271 of the Income Tax Act. The matter is currently pending.

4. *Assessment Year 2011-12*

   - Our Company has filed an appeal dated December 16, 2011 before the Commissioner of Income Tax - Appeals XIV, Mumbai against the notice of demand dated November 16, 2011 by the Assessing Officer and the intimation letter under Section 200A of the Income Tax Act in relation thereto. Our Company has challenged demand of Rs. 8.95 million (including interest) for short deduction/collection of TDS and non-payment of TDS after deduction. Our Company has claimed that TDS deducted during the Assessment Year 2011-12 was remitted to the treasury within the prescribed time and statements prescribed under Section 200(3) of the Income Tax Act were duly submitted. The matter is currently pending.

   - Our Company has filed an appeal dated August 23, 2012 before the Commissioner of Income Tax - Appeals XIV, Mumbai against the notice of demand dated May 29, 2012 by the Assessing Officer and the intimation letter under Section 200A of the Income Tax Act in relation thereto. Our Company has challenged demand of Rs. 0.20 million (including interest) for short deduction of TDS and interest on late payment of TDS after deduction. Our Company has claimed that TDS deducted during the Assessment Year 2011-12 was remitted to the treasury within the prescribed time and statements prescribed under Section 200(3) of the Income Tax Act was duly submitted. The matter is currently pending.

Notices

1. Our Company received a notice dated April 13, 2012 from the Central Bureau of Investigation ("**CBI**") in relation to credit rating assigned to Zoom Developers Private Limited ("**Zoom**"), requiring us to provide certain information relating to assigning rating to Zoom. This notice was issued in connection with an investigation against Zoom and others, and alleges that a bank had suffered a loss due to its exposure to, and that several banks lent funds to, Zoom based on credit ratings assigned by our Company. By our letter dated April 27 2012, we filed our reply to the notice, where we have amongst other things stated that a significant amount of the bank facilities to Zoom rated by us had already been sanctioned and were outstanding prior to our Company assigning the rating to Zoom. Additionally, we have responded to another similar notice from the CBI through our letter dated May 16, 2012.

2. Our Company has received a notice dated September 22, 2012 in respect to the assessment year 2011-12 from the Assistant Commissioner of Income Tax, Mumbai, to furnish certain information in respect of the returns filed for the assessment year 2011-12.

Litigation by our Company

Nil

Litigation involving the Directors

O.V. Bundellu

Nil

D.R. Dogra

Nil

Rajesh Mokashi

Nil

Dr. Nitish Kumar Sengupta

Nil

Venkatraman Srinivasan

Litigation against Venkatraman Srinivasan

1. The Sales Tax Department issued a recovery notice dated April 6, 2005 to Union Motor Services Limited, a public limited company, and its directors for recovery of sales tax/ entry tax for the financial year 1995 to financial year 2002. Venkatraman Srinivasan was an independent and non-executive director of Union Motor Services Limited and ceased to be a director in March 2001. Union Motor Services Limited has been wound-up by an order of the Madras High Court in September 2004. Venkatraman Srinivasan filed a petition before the Madras High Court against the recovery notice. The Madras High Court has pursuant to an order dated August 30, 2005 granted interim stay on the recovery of sales tax from him. The amount involved in the case is Rs. 474.33 million. The matter is currently pending.

Bharti Prasad

Nil

Litigation involving the Subsidiary

Litigation against our Subsidiary

<u>Income Tax</u>

1. *Assessment year 2007-2008*: Kalypto had filed an appeal dated July 20, 2010 before the Commissioner of Income Tax (Appeals) 20, Mumbai against the penalty order dated June 16, 2010 passed by the assessing officer imposing a penalty of Rs. 5.43 million under Section 271(1)(c) of the Income Tax Act. It was alleged that Kalypto had concealed income of Rs. 16.12 million on account of deduction claimed for benefit granted to its directors and employees by way of issue of sweat equity at below par. Pursuant to an order dated February 8, 2011, the Commissioner of Income Tax (Appeals) 20, Mumbai quashed the order dated June 16, 2010. The Assistant Commissioner of Income Tax – 9(2), Mumbai has filed an appeal dated April 13, 2011 against the order dated February 8, 2011 before the Income Tax Appellate Tribunal, Mumbai. Pursuant to an order dated September 12, 2012, the Income Tax Appellate Tribunal, Mumbai, this matter has been remanded back to the assessing officer to be decided afresh. The matter is currently pending before the assessing officer.

2. *Assessment year 2008-2009*: The assessing officer had pursuant to an assessment order dated December 16, 2010 *inter alia* applied amortisation for a period of 10 years instead of five years and further alleged that the sales value in the accounts of Kalypto were suppressed to the extent of commission payable. The assessing officer disallowed certain commission payment and rejected the books of Kalypto under Section 145(3) of the Income Tax Act. The assessing officer also treated tax audit report filed in form 3CD as defective and initiated penalty proceedings under Sections 271B and 271(1)(c) of the Income Tax Act. In this regard, a demand notice was issued against Kalypto along with an income tax computation form, both dated December 16, 2010, for an amount of Rs. 0.42 million. Kalypto filed an appeal against the assessment order and demand notice dated December 16, 2010 before the Commissioner of Income Tax (Appeals) 20, Mumbai on January 31, 2011, which was partly allowed by an order dated December 12, 2011. However, the Commissioner of Income Tax (Appeals) 20, Mumbai has rejected the appeal partially, stating that the challenge in relation to treatment of tax audit report as defective and initiation of penalty proceedings under Section 271B of the Income Tax Act was premature. Accordingly, the matter is currently pending before the assessing officer in relation to treatment of tax audit report as defective and initiation of penalty proceedings.

3. *Assessment year 2009-2010*: Kalypto filed an appeal on January 31, 2012 before the Commissioner of Income Tax (Appeals) 20, Mumbai against the assessment order passed by the assessing officer on December 28, 2011. The assessing officer pursuant to the order dated December 28, 2011 *inter alia* added Rs. 3.03 million, which were incurred as expenditure on travelling, conveyance, electricity and telephone, to the cost of software development cost by treating the proportionate value of incidental expenses. Further, the assessing officer applied amortisation for a period of 10 years instead of five years and held that the front end commission payable is suppression of sales and disallowed certain contractual payment under Section 40(a)(ia) of the Income Tax Act. The assessing officer initiated proceedings under Section 271(1)(c) of the Income Tax Act alleging concealment of income. Accordingly, a notice of demand dated December 28, 2011 for Rs. 0.04 million under Section 156 of the Income Tax Act was issued to Kalypto. Kalypto has filed written submissions with the Commissioner of Income Tax (Appeals) 20, Mumbai on August 14, 2012. The matter is currently pending.

<u>Notices</u>

1. Kalypto has received a notice dated September 3, 2012 in respect to the assessment year 2011-12, from the Income Tax Officer, Mumbai, to furnish certain information and documents, in respect of return filed for the assessment year 2011-12.

2. Kalypto has received notices dated September 12, 2011, April 4, 2012 and July 12, 2012 in respect to the assessment year 2010-11, from the Income Tax Officer, Mumbai, to furnish certain information and documents, including for justifying the income shown in the returns filed, in respect of return filed for the assessment year 2010-11.

Litigation by our Subsidiary

Nil

Material developments since September 30, 2012

For the details of material developments since September 30, 2012, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Significant Developments after September 30, 2012 that may affect our Future Results of Operations" on page 222 of this Prospectus.

Small Scale Industries

Our Company does not owe any small scale undertakings or other creditors any amounts exceeding Rs. 100,000 which is outstanding for more than 30 days.

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, our Company can undertake this Offer and the current business activities and except as disclosed below, no further major approvals from any governmental or regulatory authority or any other entity are required to undertake the Offer or continue the business activities. Unless otherwise stated, these approvals are valid as of the date of this Prospectus.

I. Incorporation Details

Our Company

1. Certificate of incorporation dated April 21, 1993 issued to our Company as Credit Analysis and Research Limited by the RoC.

2. Certificate of commencement of business dated May 27, 1993 issued by RoC.

II. Approvals in relation to the Offer

1. The Offer has been authorized by a resolution of the Board of Directors passed at their meeting held on August 17, 2011.

2. IDBI Bank, Canara Bank, SBI, IL&FS, Federal Bank, IL&FS Trust (Equity Shares held on behalf of Milestone Fund), Milestone Trusteeship (Equity Shares held on behalf of Milestone Army Trust), ING Vysya and Tata Investment have consented to offering Equity Shares under the Offer pursuant to resolutions (of board of directors or a duly constituted committee) dated June 17, 2011, June 28, 2011, September 20, 2011, September 28, 2011, September 3, 2011, August 18, 2011, August 17, 2011, September 21, 2011 and September 5, 2011, respectively.

3. In-principle approval dated October 21, 2011 from the BSE.

4. In-principle approval dated November 11, 2011 from the NSE.

5. Approvals and exemptions under RBI/2011-12/ 247 A.P. (DIR Series) Circular No. 43 issued by RBI on November 4, 2011:

   a. Our Company is registered as a credit rating agency with SEBI. SEBI by letter dated June 22, 2012 to our Company noted the fact that Equity Shares of our Company will be transferred by the Selling Shareholders to eligible Non-Residents in the Offer.

   b. Milestone Fund is registered as a VCF with SEBI. SEBI by letter dated July 23, 2012 approved transfer of up to 58,605 Equity Shares held by IL&FS Trust (on behalf of Milestone Fund) to eligible Non-Residents in the Offer.

   c. IDBI Bank, Canara Bank, Federal Bank, ING Vysya and SBI are registered as banks with RBI. RBI by letter dated October 18, 2012 approved transfer of up to 6,184,200 Equity Shares by IDBI Bank, Canara Bank, Federal Bank, ING Vysya and SBI, as Selling Shareholders, to eligible Non-Residents in the Offer.

   d. Our Company vide letter dated August 31, 2012 had applied to the RBI to exempt Non-Resident investors from obtaining no objection certificate ("**NoC**") from their respective regulators to participate in the Offer. Subsequently, the RBI vide its letter dated September 26, 2012 clarified that Non-Resident investors were not required to obtain NoCs from their respective regulators for participating in the Offer, provided that certain conditions, including minimum capitalization norms applicable to companies engaged in non-banking finance activities (i.e., an investment of USD 0.5 million by foreign investors with respect to companies engaged in non fund based activities and hereinafter referred to as "**Minimum Capitalisation Norms**") are met. Our Company vide its letter dated October 5, 2012 clarified to the RBI that our Company shall offer Equity Shares in the Offer to only (i) FIIs and sub-accounts investing under the portfolio investment scheme; (ii) Eligble NRIs (investing on non-repatriation basis); and (iii) Eligible QFIs. Our Company clarified to the RBI that no foreign direct investment by Non-Residents will be permitted in the Offer and accordingly, the Minimum Capitalization Norms were not applicable. The Company received a letter from the RBI on December 6, 2012, stating *inter alia* that the FIIs and QFIs can participate in the Offer subject to adherence with the Minimum Capitalization Norms. The Company filed a letter dated December 7, 2012 with the RBI reiterating that Minimum Capitalization Norms are not applicable and that FIIs and QFIs should be permitted to participate in the Offer. The Company filed a letter dated December 10, 2012 with the RBI and the RBI has on December 10, 2012 permitted the Company to comply with the Minimum Capitalization Norms within six months from the date of their letter.

Note: RBI has on December 6, 2012 permitted FIIs and Eligible QFIs to participate in the Offer subject to minimum capitalization norms (i.e. an investment of USD 0.5 million by foreign investors for companies engaged in non fund based activities) being satisfied by the Company and on December 10, 2012, the RBI has permitted the Company to comply with the minimum capitalization norms under the Consolidated FDI Policy within six months from the date of their letter.

III. Approvals in relation to the business of our Company in India

Our Company is required to obtain various approvals for conducting its business in India. The registrations and approvals required to be obtained by our Company in respect of its business include the following:

A. CRA Regulations

1. Certificate of permanent registration as a credit rating agency dated December 30, 2011 granted by SEBI under the CRA Regulations. The registration number of the Company is IN/CRA/004/1999.

B. Shops and Establishments Registration

1. Registration certificate dated May 17, 2000 issued by the Registering Authority, Shops and Establishments, Kolkata in relation to our office at Kolkata. The certificate is valid until May 16, 2015.

2. Registration certificate dated July 19, 2006 issued by the Inspector under the Bombay Shops and Establishments Act, 1948 in relation to the Registered Office. The certificate is valid until December 31, 2012.

3. Registration certificate dated September 21, 2011 issued by the Ahmedabad Municipal Corporation, Shops and Establishments Department, in relation to our office at Ahmedabad. The certificate is valid until December 31, 2016.

4. Registration certificate of establishment dated September 20, 2011 issued by Department of Labour, Delhi in relation to our office at New Delhi as commercial establishment under the Delhi Shops and Establishments Act, 1954.

5. Registration certificate of establishment dated September 1, 2011 issued by the Department of Labour, Government of Karnataka in relation to our office at Bangalore under the Karnataka Shops and Commercial Establishments Act, 1961. This certificate is valid until December 31, 2014.

6. Registration certificate dated December 31, 2011 issued by the Office of the Inspector and Additional Commissioner of Labour – III, Hyderabad, in relation to our office at Hyderabad as commercial establishment under the Andhra Pradesh Shops & Establishments Act, 1988. The certificate is valid until December 31, 2012.

7. Letter dated September 21, 2011 issued by the Assistant Commissioner of Labour, 21 Circle Chennai-35, specifying the list of holidays to be granted to employees of the Chennai office of our Company, which is an industrial establishment, under provisions of the Tamil Nadu Industrial Establishments (National and Festival Holidays) Act, 1958.

C. Labour law related registrations

1. Registration certificate dated February 8, 1994 issued by the Office of the Regional Provident Fund Commissioner, Mumbai allotting code no. MH/39720.

2. Registration certificate dated September 27, 1994 issued by the Employee State Insurance Corporation, Regional Office, Maharashtra, allotting code no. 31-42037-102.

D. Tax registrations

1. Permanent Account Number - AAACC4587F

2. Service Tax Code - AAACC4587FST001

3. TAN Number - MUMC04736E

4. Certificate of registration dated September 29, 2008 issued by the Sales Tax Officer, Mumbai under the Maharashtra Value Added Tax Act, 2002. The VAT tax payer identification number of our Company is 27150652239V with effect from April 11, 2008.

5. Certificate of enrolment dated March 8, 2011 issued by the Professional Tax Officer, Commercial Taxes Department, Government of Karnataka, under the Karnataka Tax on Professions, Traders, Calling and Employment Act, 1976.

6. Certificate of enrolment dated October 13, 2006 issued by the Ahmedabad Municipal Corporation under the Gujarat State Tax on Professions, Traders, Calling and Employment Act, 1976.

7. Certificates of registration and enrolment dated October 27, 2010 issued by the Commercial Taxes Department, Hyderabad.

8. Certificates of registration and enrolment dated May 2, 2001 and May 1, 2011, respectively, issued by the Professional Tax Officer, West Bengal under the West Bengal State Tax on Professions, Trades, Callings and Employments Act, 1979.

9. Assignment of profession tax new assessment number on April 26, 2011 by Commissioner, Corporation of Chennai in terms of Tamil Nadu Urban Local Bodies Tax on Professions, Trades, Callings Employment Rules, 1998.

10. Letter issued by the Commissioner of Income Tax-6, Mumbai on July 20, 2012, approving the 'CARE Employees Group Gratuity Scheme' under Rule 2(1) of Part 'C' of the Fourth Schedule to the Income Tax Act.

E. Others

1. ISO 9001:2008 certificates of registration dated November 18, 2011 issued by BSI India for credit rating of debt instruments / facilities in Mumbai and its branches at Kolkata, New Delhi, Chennai, Bangalore, Hyderabad and Pune, research services at Mumbai office and data processing at CARE Knowledge Centre, Ahmedabad. The certificates are valid until November 17, 2014.

2. No objection letter issued by SEBI on September 20, 2012 to our Company for entering into a joint venture for establishment of a new credit rating agency overseas jointly with other global rating agencies.

F. Applications filed by our Company

1. Our Company has made six applications to the Office of the Registrar of Trade Marks on September 22, 2011 for registration of the following words and marks – (i) 'CARE'; (ii) 'CARE Ratings Professional Risk Opinion'; (iii) 'CARE Research'; (iv) 'Credit Analysis & REsearch Limited'; (v) 'CARE Ratings'; and (vi) 'CARE'.

2. Our Company has filed an application dated October 31, 2012 to the Shop Inspector for registration of our office at Pune under the Bombay Shops and Establishments Act, 1948.

G. Approvals to be applied for by our Company

1. Our Company is in the process of making application to appropriate authority in Jaipur for grant of registration certificate under the Rajasthan Shops and Commercial Establishments Act, 1958.

2. Our Company is in the process of making an application to RBI for establishment of a new credit rating agency overseas jointly with other global rating agencies.

IV. Approvals and registrations outside India

Our Company has obtained certain approvals in relation to its business operations outside India.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorized by a resolution of our Board of Directors passed at their meeting held on August 17, 2011. IDBI Bank, Canara Bank, SBI, IL&FS, Federal Bank, IL&FS Trust (for Equity Shares held on behalf of Milestone Fund), Milestone Trusteeship (for Equity Shares held on behalf of Milestone Army Trust), ING Vysya and Tata Investment have approved the transfer of shares under the Offer pursuant to their resolutions as set out below:

Name of the Selling Shareholder	Date of the Resolution passed by the Board of Directors or a Duly Authorized Committee	No. of Equity Shares Offered
Offer for sale by IDBI Bank	June 17, 2011	2,454,400 Equity Shares
Offer for sale by Canara Bank	June 28, 2011	2,171,200 Equity Shares
Offer for sale by SBI	September 20, 2011	914,500 Equity Shares
Offer for sale by IL&FS	September 28, 2011	855,500 Equity Shares
Offer for sale by Federal Bank	September 3, 2011	584,100 Equity Shares
Offer for sale by IL&FS Trust (Equity Shares held on behalf of Milestone Fund)	August 18, 2011	58,605 Equity Shares
Offer for sale by Milestone Trusteeship (Equity Shares held on behalf of Milestone Army Trust)	August 17, 2011	1,395 Equity Shares
Offer for sale by ING Vysya	September 21, 2011	60,000 Equity Shares
Offer for sale by Tata Investment	September 5, 2011	100,000 Equity Shares

Each of the Selling Shareholders has the requisite authority to participate in the Offer.

The Selling Shareholders have confirmed that they have held the Equity Shares proposed to be offered in the Offer for more than one year prior to the date of filing of the Draft Red Herring Prospectus with SEBI and that the Selling Shareholders have not been prohibited from dealing in securities market and the Equity Shares offered are free from any lien, encumbrance or third party rights.

We have received in-principle approvals from the BSE and the NSE for the listing of Equity Shares pursuant to letters dated October 21, 2011 and November 11, 2011, respectively.

Our Company has received requisite approvals of RBI and SEBI for transfer of the Equity Shares by the Selling Shareholders to Non Residents in the Offer. For details, see “Government and Other Approvals – Approvals in relation to the Offer” on page 228 of this Prospectus.

Prohibition by SEBI or Other Governmental Authorities

Our Company, the Directors and the Selling Shareholders have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which the Directors are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

Details of the entities that our Directors are associated with, which are engaged in securities market related business and are registered with SEBI for the same, have been provided to SEBI.

Prohibition by the RBI

Our Company or the Selling Shareholders have not been identified as wilful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or are pending against them.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 26(1) of the SEBI Regulations as explained under the eligibility criteria calculated in accordance with the restated financial statements under Indian GAAP:

- Our Company has net tangible assets of at least Rs. 30 million in each of the preceding three full years (of 12 months each);

- Our Company had a minimum average pre-tax operating profit of Rs. 150 million on restated and consolidated basis for the financial year 2012 and on restated and unconsolidated basis for the financial years 2010 and 2011, the most profitable years of our Company from the financial years 2008, 2009, 2010 and 2011. Prior to the financial year 2012, our Company did not have any subsidiary and accordingly, consolidated financial statements for the financial years prior to the financial year 2012 were not required to be prepared by our Company;

- Our Company has a net worth of at least Rs. 10 million in each of the three preceding full years (of 12 months each);

- The aggregate of the proposed Offer and all previous issues made in the same financial years in terms of the offer size is not expected to exceed five times the pre-Offer net worth of our Company as per the audited balance sheet of the Company for the preceding financial year; and

- The name of our Company was not changed within the last one year.

Our Company's net worth, net tangible assets and pre-tax operating profit derived from the audited restated and unconsolidated financial information of our Company as of and for the financial years ended March 31, 2008, 2009, 2010, 2011 and 2012 and the audited restated and consolidated financial information of our Company as of and for the financial year ended March 31, 2012 are set forth below:

(Rs. in million)

Particulars	**As at/ For the year ended March 31, 2012**	**As at/ For the year ended March 31,**				
		2012	**2011**	**2010**	**2009**	**2008**
	(Consolidated)[(1)]	**(Unconsolidated)**				
Net worth [(2)]	3,768.38	3,767.70	2,942.53	2,134.95	1,334.56	832.64
Net tangible assets [(3)]	3,696.03	3,767.70	2,942.53	2,134.95	1,334.56	832.64
Pre-tax operating profit [(4)]	1,333.65	1,333.81	1,235.93	1,064.37	720.15	368.73

(1) *Prior to the financial year 2012, our Company did not have any subsidiary and accordingly, consolidated financial statements for the financial years prior to the financial year 2012 were not required to be prepared by our Company*.

(2) *'Net worth' means the aggregate of Equity Share capital and reserves and surplus, excluding miscellaneous expenditure, if any.*

(3) *'Net tangible assets' = Total non-current assets (excluding intangible assets) + total current assets – non current liabilities – current liabilities.*

(4) *'Pre-tax operating profit' comprises restated profit before tax, excluding other income.*

Further, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 failing which the entire application monies shall be refunded forthwith.

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED 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 OFFER 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 MANAGERS, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, DSP MERRILL LYNCH LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED, ICICI SECURITIES LIMITED, IDBI CAPITAL MARKET SERVICES LIMITED AND SBI CAPITAL MARKETS LIMITED, HAVE 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 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY AND THE SELLING SHAREHOLDERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, DSP MERRILL LYNCH LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED, ICICI SECURITIES LIMITED, IDBI CAPITAL MARKET SERVICES LIMITED AND SBI CAPITAL MARKETS LIMITED, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 30, 2011 WHICH READS AS FOLLOWS:

WE, THE LEAD MERCHANT BANKER(S) TO THE ABOVE MENTIONED FORTHCOMING OFFER, 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 DOCUMENTS IN CONNECTION WITH THE FINALIZATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID OFFER;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**

   (A) **THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;**

   (B) **ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA, 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 OFFER 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 AS AMENDED 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 SECURITIES AND EXCHANGE BOARD OF INDIA AND THAT TILL DATE SUCH REGISTRATION IS VALID. THE SEBI REGISTRATION OF SBI CAPITAL MARKETS LIMITED WAS VALID UP TO JULY 31, 2011. THE APPLICATION FOR RENEWAL OF THE CERTIFICATE OF REGISTRATION IN THE PRESCRIBED MANNER HAS BEEN MADE BY SBI CAPITAL MARKETS LIMITED ON APRIL 29, 2011, TO SEBI, THREE MONTHS BEFORE THE EXPIRY OF THE PERIOD OF THE CERTIFICATE AS REQUIRED UNDER REGULATION 9(1) OF THE SEBI (MERCHANT BANKER) REGULATIONS. THE APPROVAL FROM SEBI IS CURRENTLY AWAITED.

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 THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA 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 SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN 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 SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AS AMENDED, 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 OFFER. WE UNDERTAKE THAT AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. NOT APPLICABLE

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY. NOT APPLICABLE

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 OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER AND THE COMPANY 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. <u>NOT APPLICABLE. AS THE OFFER SIZE IS MORE THAN RS. 100 MILLION, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.</u>**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, 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 COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND

    (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AS AMENDED WHILE MAKING THE OFFER. - <u>NOTED FOR COMPLIANCE</u>**

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 COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AS AMENDED, 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.**

Notes:

1. With respect to the due diligence certificate dated September 30, 2011, furnished to SEBI by Kotak, DSP Merrill Lynch, Edelweiss, ICICI Securities Limited, IDBI Capital and SBI Capital Markets, it is submitted that confirmations/requirements that relate to promoters will not be applicable, as the Company has no identifiable promoter in terms of the SEBI Regulations.

The filing of this Prospectus does not, however, absolve our Company and the Selling Shareholders from any liabilities under Section 63 or Section 68 of the Companies Act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed Offer. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in this Prospectus.

All legal requirements pertaining to the Offer have been 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 Offer will be complied with at the time of registration of this Prospectus with the RoC in terms of Sections 56, 60 and 60B of the Companies Act.

Caution - Disclaimer from our Company, the Selling Shareholders, the BRLMs

Our Company, the Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website http://www.careratings.com, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Company, the Selling Shareholders and the BRLMs 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.

Our Company, the Selling Shareholders or any member of the Syndicate is not liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares 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 Selling Shareholders, 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.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, 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), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and to FIIs, Eligible NRIs and Eligible QFIs. This Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been reviewed or recommended by any U.S. federal or state securities commission or regulatory authority. The foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved.

Our Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act. The Equity Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only (i) outside the United States, to non-U.S. Persons in offshore transactions in reliance on Regulation S; and (ii) to investors within the United States and U.S. Persons that are both (A) "qualified institutional buyers" as defined in Rule 144A and (B) "qualified purchasers" as defined in Section 2(a)(51) and related rules of the U.S. Investment Company Act in reliance on Section 3(c)(7) of the U.S. Investment Company Act. Prospective purchasers in the United States are hereby notified that our Company is relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A and exemptions from the U.S. Investment Company Act.

Each other purchaser of the Equity Shares, by accepting delivery of the Red Herring Prospectus, submitting a bid to purchase the Equity Shares and accepting delivery of the Equity Shares, will be deemed to have represented and agreed as follows:

1. You are not a U.S. Person (as defined in Regulation S under the Securities Act) and you are outside the United States.

2. You are not an affiliate of our Company or a person acting on behalf of an affiliate of our Company.

3. You are not purchasing the Equity Shares as a result of any directed selling efforts (as defined in Regulation S), or any "general solicitation" or "general advertising" (as defined in Regulation D under the Securities Act).

4. You will base your investment decision on a copy of the Red Herring Prospectus or the Prospectus relating to the Offer. You acknowledge that neither our Company nor any of its affiliates nor any other person (including the BRLMs) or any of their respective affiliates have made or will make any representations, express or implied, to you with respect to our Company, the Offer, the Equity Shares or the accuracy, completeness or adequacy of any financial or other information concerning our Company, the Offer or the Equity Shares, other than (in the case of our Company and its affiliates only) the information contained in the Red Herring Prospectus or the Prospectus relating to the Offer. You acknowledge that you have not relied on and will not rely on any investigation by, or on any information contained in any research reports prepared by, the BRLMs or any of their respective affiliates.

5. You acknowledge (or if acting for the account of another person, such person has confirmed that you acknowledge) that, the Equity Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and that our Company has not registered as an investment company under the Investment Company Act in reliance on Sections 3(c)(7) and that it will not be entitled to the benefits of the Investment Company Act. You understand that our Company has elected to impose the transfer and offering restrictions as described herein so that our Company will have no obligation to register as an investment company under the Investment Company Act. You understand that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them.

6. Any offer and sale of the Equity Shares by you will not be made to a person in the United States or to a person known by you to be a U.S. Person (as defined in Regulation S).

7. You understand and acknowledge that our Company shall have no obligation to recognize any offer, sale, pledge or other transfer made other than in compliance with the restrictions on transfer set forth and described herein and that our Company may make notation on its records or give instructions to any transfer agent of the Shares.

8. None of you, any of your affiliates nor any person acting on behalf of you or any of your affiliates, has made or shall make any directed selling efforts (as defined in Regulation S), or any "general solicitation" or "general advertising" (as defined in Regulation D under the Securities Act), with respect to the Equity Shares.

9. You confirm that, prior to any sale of the Equity Shares, you shall notify the purchaser of such Equity Shares or the executing broker, as applicable, (a) of any transfer restrictions that are applicable to the Equity Shares being sold, (b) that the Equity Shares have not been and will not be registered under the Securities Act and (c) that our Company has not been will not be registered as an investment company under the Investment Company Act.

10. You agree that our Company and your agents and your respective affiliates may rely upon the truth and accuracy of the foregoing acknowledgments, representations, warranties and agreements at all times.

Each other purchaser of the Equity Shares will be required to represent and agree, among other things, that (i) such purchaser is a non-U.S. person acquiring the Equity Shares in an "offshore transaction" in accordance with Regulation S, and (ii) any reoffer, resale, pledge or transfer of the Equity Shares by such purchaser will not be made to a person in the United States or to a person known by the undersigned to be a U.S. Person, in each case in accordance with all applicable securities laws.

Disclaimer Clause of the BSE

BSE has given vide its letter no. DCS/IPO/NP/IPO-IP/387/2011-12 dated October 21, 2011, permission to our Company to use BSE's name in this Prospectus as one of the stock exchanges on which our Company's securities are proposed to be listed. BSE has scrutinised the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. The BSE does not in any manner:

(i) warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; or

(ii) warrant that the Company's securities will be listed or will continue to be listed on BSE; or

(iii) take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of the 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 the 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 NSE

As required, a copy of the Draft Red Herring Prospectus had been submitted to NSE. NSE has given vide its letter ref.: NSE/LIST/149554-3 dated November 11, 2011 permission to our Company to use NSE's name in this Prospectus as one of the stock exchanges on which our Company's securities are proposed to be listed. NSE has scrutinised the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the 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 Draft Red Herring Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; nor does it warrant that the Company's securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of the Company.

Every person who desires to apply for or otherwise acquire any securities of the Company 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.

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No.C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under section 60B of the Companies Act, has been delivered for registration to the RoC and a copy of the Prospectus to be filed under section 60 of the Companies Act would be delivered for registration with RoC at the office of the Registrar of Companies, Everest 5th Floor, 100, Marine Drive, Mumbai 400 002.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. The BSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalized.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholders will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within eight days after our Company and the Selling Shareholder become liable to repay it, then our Company, the Selling Shareholders and every Director 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, 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 all the Stock Exchanges mentioned above are taken within 12 Working Days of the Bid/Offer Closing Date. Further, the Selling Shareholders confirm that all steps, as may be reasonably required and necessary, will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within 12 Working Days of the Bid/Offer Closing Date.

Consents

Consents in writing of: (a) the Directors, our Company Secretary and Compliance Officer, the statutory Auditor, the legal advisors, the Bankers to the Offer, the Bankers to our Company, and (b) the BRLMs, the Syndicate Members, the Escrow Collection Bankers and the Registrar to the Offer to act in their respective capacities, have been obtained as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of this Prospectus for registration with the RoC.

In accordance with the Companies Act and SEBI Regulations M/s Khimji Kunverji & Co., Chartered Accountants, our Company's statutory Auditor, have given their written consent to the inclusion of their audit report dated October 21, 2012 and statement of the tax benefits dated October 21, 2012 in the form and context in which it appears in this Prospectus and such consent shall not be withdrawn up to the time of submission of this Prospectus for registration with the RoC.

Expert Opinion

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received consent from the statutory Auditor namely, M/s Khimji Kunverji & Co., Chartered Accountants to include their names as an expert in this Prospectus in relation to the reports of the auditors dated

October 21, 2012 and statement of tax benefits dated October 21, 2012 in the form and context in which it appears in this Prospectus.

Offer Related Expenses

The expenses of this Offer include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For further details of Offer related expenses, see the section "Objects of the Offer" on page 71 of this Prospectus.

SCSBs would be entitled to a processing fee of Rs. 15 per valid Bid cum Application Form submitted by ASBA Bidders to the Syndicate Members in the Specified Cities and submitted by the Syndicate Members to SCSBs.

Other than the listing fees and certain portion of advertising expenses which will be borne by our Company, all expenses relating to the Offer as mentioned above will be shared between the Selling Shareholders on a pro-rata basis, in the ratio of the Equity Shares sold by each of the Selling Shareholders in the Offer.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the Engagement Letter, a copy of which is available for inspection at the Registered Office.

Fees Payable to the Registrar to the Offer

The fees payable by our Company and the Selling Shareholders to the Registrar to the Offer for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as stated in the agreement dated September 29, 2011 signed among our Company, the Registrar to the Offer and the Selling Shareholders, a copy of which is available for inspection at the Registered Office.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send refund in any of the modes described in the Red Herring Prospectus or Allotment advice by registered post/speed post.

Underwriting commission, brokerage and selling commission on previous issues

Since this is an initial public offering of our Company, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of our Company.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues during the five years preceding the date of this Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as disclosed in "Capital Structure - Notes to the Capital Structure - Share Capital History of our Company" on page 60 of this Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Previous capital issue during the previous three years by our Subsidiary or associates of our Company

Our Subsidiary or any of the associates of our Company are not listed on any stock exchange.

Performance vis-à-vis objects – public/rights issue of our Company, our Subsidiary and associates of our Company

Our Company and our Subsidiary have not undertaken any previous public or rights issue. None of the associates of our Company has made any public/ rights issue during the period of 10 years from the date of filing the Draft Red Herring Prospectus.

Outstanding Debentures or Bonds

Our Company does not have any outstanding debentures or bonds as of the date of filing this Prospectus.

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Offer, our Company and the Selling Shareholders provides for the retention of records with the Registrar to the Offer for a period of at least three years from the last date of dispatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to the Offer may be addressed to the Registrar to the Offer, giving full details such as name, address of the applicant, application number, 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 to the Offer with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities), as the case may be, where the Bid cum Application Form was submitted by the ASBA Bidder, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and designated branch or the collection centre of the SCSBs or the member of the Syndicate (in Specified Cities), as the case may be, where the Bid cum Application Form was submitted by the ASBA Bidder.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB (in case of ASBA Bidders), for redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted an Investors' Grievances Committee comprising Bharti Prasad, Venkatraman Srinivasan and D.R. Dogra as members.

Our Company has also appointed Navin K. Jain, company secretary and head-finance of our company, as the compliance officer for this Offer and he may be contacted in case of any pre-Offer or post-Offer related problems at the following address:

Navin K. Jain
Credit Analysis and Research Limited
Compliance Officer and Company Secretary
4th Floor, Godrej Coliseum
Somaiya Hospital Road
Off Eastern Express Highway
Sion (East), Mumbai 400 022
Tel: (91 22) 6754 3456
Fax: (91 22) 6754 3457
Email: investor.relations@careratings.com

Changes in Auditors

Except as stated below, there have been no changes in the Auditors of our Company during the last three years:

Statutory Auditor	Date of Change	Appointment/ Resignation	Reason
M/s Khimji Kunverji & Co., Chartered Accountants	April 1, 2011	Appointment	Pursuant to letter dated August 18, 2011 issued by Office of Comptroller and Auditor General of India to our Company
M/s Om Prakash S. Chaplot & Co., Chartered Accountants	March 31, 2011	Resignation	Pursuant to letter dated August 18, 2011 issued by Office of Comptroller and Auditor General of India to our Company

Capitalization of Reserves or Profits

Except as stated in the section "Capital Structure - Notes to the Capital Structure - Share Capital History of our Company" on page 60 of this Prospectus, our Company has not capitalized its reserves or profits at any time during the last five years.

Revaluation of Assets

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

Price information of past issues handled by the BRLMs

The price information of past issues handled by BRLMs is as follows:

1. **Kotak**

A. Price information of past issues handled by Kotak:

Sr. No.	Issue name	Issue size (Rs. million)	Issue price (Rs.)	Listing date	Opening price on listing date (Rs.)	Closing price on listing date (Rs.)	% Change in price on listing date (closing) vs. issue price	Benchmark index on listing date (closing)	Closing price as on 10th calendar day from listing day (Rs.)	Benchmark index as on 10th calendar day from listing day (Closing)	Closing price as on 20th calendar day from listing day (Rs.)	Benchmark index as on 20th calendar day from listing day (Closing)	Closing price as on 30th calendar day from listing day (Rs.)	Benchmark index as on 30th calendar day from listing day (closing)
1	Speciality Restaurants Limited	1,760.91	150.00	May 30, 2012	152.00	159.60	6.40%	4,950.75	182.45	5,068.35	206.65	5,064.25	213.05	5,149.15
2	Future Ventures India Limited	7,500.00	10.00	May 10, 2011	9.00	8.20	(18.00)%	5,541.25	8.15	5,428.10	8.10	5,473.10	8.75	5,526.85
3	Muthoot Finance Limited	9,012.50	175.00	May 6, 2011	196.60	175.90	0.51%	5,551.45	160.50	5,499.00	155.45	5,348.95	175.25	5,532.05
4	Coal India Limited[1]	151,994.40	245.00	November 4, 2010	291.00	342.55	39.82%	6,281.80	317.20	6,121.60	320.15	5,934.75	321.95	5,992.80
5	Prestige Estates Projects Limited	12,000.00	183.00	October 27, 2010	190.00	193.15	5.55%	6,012.65	205.85	6,312.45	197.10	6,121.60	162.95	5,799.75
6	Oberoi Realty Limited	10,286.12	260.00	October 20, 2010	271.10	282.90	8.81%	5,982.10	279.05	6,017.70	289.60	6,273.20	266.00	5,998.80
7	Tecpro Systems Limited[2]	2,676.85	355.00	October 12, 2010	380.00	405.70	14.28%	6,090.90	399.90	6,101.50	424.55	6,117.55	417.70	6,275.70
8	Eros International Media Limited	3,500.00	175.00	October 6, 2010	205.45	190.25	8.71%	6,186.45	175.55	6,062.65	185.40	6,105.80	191.50	6,281.80
9	Gujarat Pipavav Port Limited	5,538.54	46.00	September 9, 2010	56.10	54.05	17.50%	5,640.05	54.85	5,980.45	60.30	6,029.50	59.35	6,103.45
10	Bajaj Corp Limited	2,970.00	660.00	August 18, 2010	760.00	758.75	14.96%	5,479.15	730.45	5,408.70	730.00	5,576.95	726.95	5,828.70

Source: www.nseindia.com

[1] *In Coal India Limited, the issue price after discount to the retail individual bidders and the eligible employees was Rs. 232.75 per equity share.*

[2] *In Tecpro Systems Limited, the issue price after discount to the eligible employees was Rs. 338 per equity share.*

Notes: *a. In the event any day falls on a holiday, the price/ index of the immediately succeeding working day has been considered; and*
b. S&P CNX Nifty has been considered as the benchmark index.

B. Summary statement of price information of past issues handled by Kotak:

Fiscal year	Total no. of IPOs	Total funds raised (Rs. million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
April 1, 2012 – October 15, 2012	1	1,760.91	-	-	-	-	-	1	-	-	-	-	1	-
2012	2	16,512.50	-	-	1	-	-	1	-	-	1	-	-	1
2011	11	234,579.83	-	-	2	-	1	8	-	1	2	-	3	5

Source: www.nseindia.com

Notes: *a. In the event any day falls on a holiday, the price/ index of the immediately succeeding working day has been considered; and*
b. S&P CNX Nifty has been considered as the benchmark index.

2. **DSP Merrill Lynch**

A. Price information of past issues handled by DSP Merrill Lynch

Sr. No.	Issue name	Issue size (Rs. million)	Issue price (Rs.)	Listing date	Opening price on listing date (Rs.)	Closing price on listing date (Rs.)	% Change in price on listing date (closing) vs. issue price	Benchmark index[(1)] on listing date (closing)	Closing price as on 10th calendar day from listing day (Rs.)[(2)(3)]	Benchmark index as on 10th calendar day from listing day (closing)[(2)(3)]	Closing price as on 20th calendar day from listing day (Rs.)[(2)(4)]	Benchmark index as on 20th calendar day from listing day (closing)[(2)(4)]	Closing price as on 30th calendar day from listing day (Rs.)[(2)(5)]	Benchmark index as on 30th calendar day from listing day (closing)[(2)(5)]
1.	A2Z Maintenance and Engineering Services Limited	7,762.5	400.00[(6)]	December 23, 2010	390.00	328.90	(17.8%)	19,982.88	327.35	20,561.05	302.85	19,196.34	302.85	19,007.53
2.	Coal India Limited	151,994.4	245.00[(7)]	November 4, 2010	287.75	342.35	39.7%	20,893.57	317.20	20,309.69	320.00	19,691.84	322.30	19,966.93
3.	Standard Chartered Plc	24,863.5	104.00[(8)]	June 11, 2010	105.00	103.05	(0.9%)	17,064.95	108.75	17,876.55	107.35	17,700.90	108.25	17,937.20
4.	Jaypee Infratech Limited	22,576.0	102.00[(9)]	May 21, 2010	93.00	91.30	(10.5%)	16,445.61	83.30	16,944.63	76.55	16,657.89	86.35	17,876.55

Source: *www.bseindia.com*

Notes*:*

1. *Benchmark index is Sensex.*
2. *In case 10th day, 20th day or 30th day is not a trading day, closing price on BSE of next trading day is considered.*
3. *10th listing day has been taken as listing date plus 9 calendar days.*
4. *20th listing day has been taken as listing date plus 19 calendar days.*
5. *30th listing day has been taken as listing date plus 29 calendar days.*
6. *A discount of 5% to the issue price was given to the employees at the time of allotment.*
7. *5% discount to the offer price was offered to the retail individual bidders and the eligible employees bidding under the employee reservation portion, based on actual allotment.*
8. *Issue price for non-institutional investors, QIB category and anchor investors: Rs.104.0 per Indian depository receipt; issue price for retail individual investors and eligible employees: Rs.98.80 per Indian depository receipt.*
9. *Issue price for eligible shareholders, non-institutional investors and qualified institutional bidders: Rs.102.00 per equity share; issue price for retail individual investors: Rs.96.90 per equity share.*

B. Summary statement of price information of past issues handled by DSP Merrill Lynch

Financial year	Total no. of IPOs [(1)]	Total funds raised (Rs. million)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing day			Nos. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
April 1, 2012 – October 15, 2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2011	4	2,07,196.4	-	-	3	-	1	0	-	-	2	-	1	1

1. Based on the date of listing

3. **Edelweiss**

A. Price information of past issues handled by Edelweiss:

Sr. No.	Issue name	Issue size (Rs. million.)	Issue price (Rs.)	Listing date	Opening price on listing date (Rs.)	Closing price on listing date (Rs.)	% Change in price on listing date (closing) vs. issue price	Benchmark index on listing date (closing)(1)	Closing price as on 10th calendar day from listing day (Rs.)(2)	Benchmark index as on 10th calendar day from listing day (closing)(1)	Closing price as on 20th calendar day from listing day (Rs.)(2)	Benchmark index as on 20th calendar day from listing day (closing)(1)	Closing price as on 30th calendar day from listing day (Rs.)(2)	Benchmark index as on 30th calendar day from listing day (closing)(1)
1	Multi Commodity Exchange of India Limited	6,633.05	1,032	March 9, 2012	1,387.00	1,297.05	25.68%	17,503.24	1,290.50	17,273.37	1,240.15	17,121.62	1,264.10	17,222.14
2	Future Ventures India Limited	7,500.00	10.00	May 10, 2011	9.50	8.30	(17.00)%	18,512.77	8.15	18,141.4	8.15	18,232.06	8.80	18,394.29
3	MOIL Limited	12,375.14	375[3]	December 15, 2010	551.00	466.50	24.40%	19,647.77	448.75	20,073.66	453.65	20,561.05	442.5	19,182.82
4	Claris Lifesciences Limited	3,000.0	228[4]	December 20, 2010	224.40	205.85	(9.71)%	19,888.88	205.1	20,256.03	199.1	19,224.12	181.95	19,092.05
5	Commercial Engineers & Body Builders Company Limited	1,724.13	127	October 18, 2010	122.80	112.25	(11.61)%	20,168.89	109.1	20,005.37	117.1	20,852.38	103.1	19,865.14
6	Electrosteel Steels Limited	2,852.77[5]	11	October 8, 2010	12.35	11.25	2.27%	20,250.26	10.8	20,168.89	10.95	20,005.37	11.12	20,852.38
7	Hindustan Media Ventures Limited	2,699.99	166	July 21, 2010	170.00	189.20	13.98%	17,977.23	179.45	17,868.29	184.2	18,287.50	182.75	18,454.94
8	Mandhana Industries Limited	1,079.00	130	May 19, 2010	132.70	133.65	2.81%	16,408.49	142.45	16,863.06	141.65	16,781.07	148.2	17,616.69

Source: All share price data is from "www.bseindia.com".

Notes:

1. *The BSE Sensex is considered as the Benchmark Index.*
2. *In case 10th/20th/30th day is not a trading day, closing price on BSE of the next trading day has been considered.*
3. *The issue price for retail individual bidders and eligible employee after a 5% discount was Rs. 356.25 per equity share.*
4. *Price for anchor investors was Rs. 293 per share.*
5. *Included a green shoe option of up to 33,827,428 equity shares for cash amounting to Rs. 372.10 million.*

B. Summary statement of price information of past issues handled by Edelweiss:

Fiscal Year	Total No. of IPOs	Total Funds Raised (Rs. million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
April 1, 2012 – October 15, 2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2012	2	14,133.05	-	-	1	-	1	-	-	-	1	-	-	1
2011	6	23,731.03	-	-	2	-	-	4	-	-	2	-	-	4

4. ICICI Securities

A. Price information of past issues handled by ICICI Securities:

Sr No.	Issue name	Issue size (Rs. million)	Issue price (Rs.)	Listing date	Opening price on listing date (Rs.)	Closing price on listing date (Rs.)	% Change in price on listing date (closing) vs. issue price	Benchmark index on listing date (closing)	Closing price as on 10th calendar day from listing date (Rs.)	Benchmark index as on 10th calendar days from listing day (closing)	Closing price as on 20th calendar day from listing date (Rs.)	Benchmark index as on 20th calendar days from listing day (closing)	Closing price as on 30th calendar day from listing date (Rs.)	Benchmark index as on 30th calendar days from listing day (closing)
1	Future Ventures India Limited	7,500.00	10	May 10, 2011	9.00	8.20	-18.00%	5,541.25	8.30	5,486.35	8.10	5,473.10	9.30	5,521.05
2	Muthoot Finance Limited	9,012.50	175	May 6, 2011	196.60	175.90	0.51%	5,551.45	160.50	5,499.00	157.60	5,412.35	175.25	5,532.05
3	PTC India Financial Services Limited	4,332.76	28	March 30, 2011	26.75	24.90	-11.07%	5,787.65	23.00	5,785.70	21.50	5,740.75	21.65	5,749.50
4	Punjab & Sind Bank	4,708.20	120	December 30, 2010	144.00	127.15	5.96%	6,101.85	118.85	5,762.85	119.75	5,691.05	105.45	5,505.90
5	A2Z Maintenance & Engineering Services Limited	7,762.47	400	December 23, 2010	500.00	328.55	-17.86%	5,980.00	323.90	6,134.50	304.25	5,863.25	302.35	5,743.25
6	Claris Lifesciences Limited #	3,000.00	228	December 20, 2010	224.40	205.85	-9.71%	19,888.88	204.85	20,389.07	199.10	19,224.12	185.35	18,978.32
7	Commercial Engineers & Body Builders Co.	1,724.13	127	October 18, 2010	119.00	112.90	-11.10%	6,075.95	108.10	5,987.70	116.85	6,273.20	102.15	5,988.80

Sr No.	Issue name	Issue size (Rs. million)	Issue price (Rs.)	Listing date	Opening price on listing date (Rs.)	Closing price on listing date (Rs.)	% Change in price on listing date (closing) vs. issue price	Benchmark index on listing date (closing)	Closing price as on 10th calendar day from listing date (Rs.)	Benchmark index as on 10th calendar days from listing day (closing)	Closing price as on 20th calendar day from listing date (Rs.)	Benchmark index as on 20th calendar days from listing day (closing)	Closing price as on 30th calendar day from listing date (Rs.)	Benchmark index as on 30th calendar days from listing day (closing)
	Limited													
8	Parabolic Drugs Limited	2,000.00	75	June 30, 2010	75.00	64.85	-13.53%	5,251.40	61.40	5,383.00	61.70	5,399.35	54.40	5,367.60
9	Jaypee Infratech Limited	22,576.10	102	May 21, 2010	98.00	91.45	-10.34%	4,931.15	83.50	5,086.30	77.00	5,078.60	85.30	5,353.30
10	Nitesh Estates Limited	4,050.00	54	May 13, 2010	54.00	51.40	-4.81%	5,178.90	37.95	4,931.15	40.40	5,019.85	37.40	5,197.70

Notes:
All above data is of NSE (Website: www.nseindia.com).
BSE Data: www.bseindia.com (only Claris Lifesciences Limited as it is not listed on the NSE).
Benchmark index considered above in all the cases was NIFTY.
 # As Claris Lifesciences Limited is listed only on the BSE, the benchmark index considered is SENSEX.
Note: Wherever 10th, 20th, 30th trading day is a holiday, we have considered the closing data of the next trading date / day.

B. Summary statement of price information of past issues handled by ICICI Securities:

Financial year	Total no. of IPO's	Total funds raised (Rs. million)	Nos. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing date			Nos. of IPOs trading at premium as on 30th calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
April 1, 2012 – October 15, 2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2012	2	16,512.50	0	0	1	0	0	1	0	0	1	0	0	1
2011	9	53,863.81	0	1	6	0	0	2	1	2	6	0	0	0

5. **IDBI Capital**

A. Price information of past issues handled by IDBI Capital:

Sr. No.	Issue name	Issue size (Rs. million)	Issue price (Rs.)	Listing date	Opening price on listing date (Rs.)	Closing price on listing date (Rs.)	% Change in price on listing date (closing) vs issue price	Benchmark Index on listing date (closing)	Closing price as on 10th calendar day from listing day (Rs.)	Benchmark index as on 10th calendar days from listing day (closing)	Closing price as on 20th calendar day from listing day (Rs.)	Benchmark index as on 20th calendar days from listing day (closing)	Closing price as on 30th calendar day from listing day (Rs.)	Benchmark index as on 30th calendar days from listing day (closing)
1	Thejo Engineering Limited	190.00	402.00	September 18, 2012	403.00	403.00	0.25%	5,600.05	375.00	5,649.50	375.00	5,746.95	392.90	5,660.25
2	NBCC Limited	1,272.00	106.00	April 12, 2012	101.00	96.95	-8.54%	5,276.85	96.35	5,200.60	94.75	5,239.15	86.55	4,928.90
3	SRS Limited	2,030.00	58.00	September 16, 2011	68.00	33.25	-42.67%	5,084.25	33.85	4,835.40	30.15	4,888.05	35.40	5,118.25
4	Aanjaneya Lifecare Limited	1,170.00	234.00	May 27, 2011	218.00	311.10	32.95%	5,476.10	376.70	5,532.05	364.40	5,447.50	390.45	5,526.60
5	MOIL Limited	12,379.50	375.00	December 15, 2010	565.00	465.05	24.01%	5,892.30	448.85	6,011.60	453.95	6,157.60	442.15	5,751.90
6	Gujarat Pipavav Port Limited	5,538.50	46.00	September 9, 2010	56.10	54.05	17.50%	5,640.05	54.85	5,980.45	60.30	6,029.50	59.35	6,103.45
7	SJVN Limited	10,439.10	26.00	May 20, 2010	27.10	25.10	-3.46%	4,947.60	24.70	5,086.30	24.10	4,987.10	24.10	5,262.60
8	ARSS Infrastructure Projects Limited	1,030.00	450.00	March 03, 2010	630.00	737.45	63.88%	5,088.10	750.40	5,137.00	908.90	5,205.20	991.75	5,290.50
9	JSW Energy Limited	26,510.00	100.00	January 04, 2010	106.00	100.85	0.85%	5,232.20	117.70	5,233.95	110.05	5,007.90	105.15	4,830.10

Notes:

In case of discounts given to certain categories of investors, the undiscounted issue price has been taken as the issue price.

Issue size has been taken net of promoter's contribution, if any.

If the 10th, 20th and 30th calendar day from listing day is not a working day, closing price on next working day has been taken.

All prices are closing prices on NSE and the benchmark index is the Nifty.

In SJVN Limited, MOIL Limited and NBCC Limited, a discount of 5% was offered to retail individual bidders and eligible employees.

B. Summary statement of price information of past issues handled by IDBI Capital:

Financial year	Total No. of IPOs	Total funds raised (Rs. million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
April 1, 2012 – October 15, 2012*	2	1,462.00	-	-	1	-	-	1	-	-	1	-	-	-
2012	2	3,200.00	-	1	-	-	1	-	-	1	-	1	-	-
2011	3	28,357.10	-	-	1	-	-	2	-	-	1	-	1	1

***Notes*:**
Total Funds raised is taken as the sum of individual issue size.
**One of the issues, Thejo Engineering Limited, had not completed 30 days since listing on October 15, 2012.*

6. SBI Capital Markets

A. Price information of past issues handled by SBI Capital Markets:

Sr. No	Issue name	Issue size (Rs. million)	Issue price (Rs.)	Listing date	Opening price on listing date (Rs.)	Closing price on listing date (Rs.)	% Change in price on listing date (closing) vs issue price	Benchmark index on listing date (closing)	Closing price as on 10th calendar day from listing day (Rs.)	Benchmark index as on 10th calendar day from listing day (closing)	Closing price as on 20th calendar day from listing day (Rs.)	Benchmark index as on 20th calendar day from listing day (closing)	Closing price as on 30th calendar day from listing day (Rs.)	Benchmark index as on 30th calendar day from listing day (closing)
1	PTC India Financial Services Limited	4,334.80	28.00	March 30, 2011	26.75	24.90	-11.07%	5,787.65	23.40	5,842.00	22.05	5,729.10	22.20	5,785.45
2	Punjab & Sind Bank	4,708.20	120.00	December 30, 2010	146.10	127.05	5.88%	20,389.07	118.55	19,224.12	119.85	19,092.05	110.20	18,395.97
3	A2Z Maintenance & Engineering services limited	7,762.50	400.00	December 25, 2010	390.00	328.90	-17.78%	19,982.88	327.35	20,561.05	302.85	19,196.34	302.85	19,007.53
4	Tecpro Systems Limited	2,679.10	355.00	October 12, 2010	399.40	407.85	14.89%	20,203.34	399.95	20,260.58	425.50	20,355.63	418.20	20,875.71
5	Electrosteel Steels Limited	2,852.80	11.00	October 8, 2010	12.35	11.25	2.27%	20,250.26	10.80	20,168.89	10.95	20,005.37	11.12	20,852.38
6	Microsec Financial Services Limited	1,475.00	118.00	October 5, 2010	135.10	110.90	-6.02%	20,407.71	91.00	20,497.64	88.60	20,303.12	79.40	20,465.74
7	Jaypee Infratech Limited	22,576.00	102.00	May 21, 2010	98.00	91.45	-10.34%	4,931.15	83.50	5,086.30	76.20	5,000.30	86.30	5,353.30
8	SJVN Limited	10,627.30	26.00	May 20, 2010	27.10	25.10	-3.46%	4,947.60	24.70	5,086.30	24.10	4,987.10	24.10	5,262.60
9	Goenka Diamonds & Jewels Limited	1,265.10	135.00	April 16, 2010	130.00	127.85	-5.30%	17,591.18	113.65	17,745.28	103.05	17,087.96	97.95	16,835.56

***Note**: The 10^{th}, 20^{th} and 30^{th} calendar day computation includes the listing day. If either of the 10^{th}, 20^{th} or 30^{th} calendar days is a trading holiday, the next trading day is considered for the computation.*

All prices are according to trades on designated stock exchange of the respective issues. Issues under point 1, 7 and 8 pertain to trades on the NSE, and rest on the BSE. For the NSE, the benchmark index is the Nifty. For the BSE, SENSEX is the benchmark.

B. Summary statement of price information of past issues handled by SBI Capital Markets:

Financial year	Total no. Of IPOs	Total funds raised (Rs. million)	Number of IPOs trading at a discount on listing date			Number of IPOs trading at a premium on listing date			Number of IPOs trading at a discount as on 30th calendar day from listing day			Number of IPOs trading at a premium as on 30th calendar day from listing day		
			Over 50%	Between 25% and 50%	Less than 25%	Over 50%	Between 25% and 50%	Less than 25%	Over 50%	Between 25% and 50%	Less than 25%	Over 50%	Between 25% and 50%	Less than 25%
April 1, 2012 – October 15, 2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2011	9	58,280.80	0	0	6	0	0	3	0	2	5	0	0	2

***Note**: The 30^{th} calendar day computation includes the listing day. If the 30^{th} calendar day is a trading holiday, the next trading day is considered for the computation.*

Track record of past issues handled by BRLMs

For details regarding the track record of the BRLMs, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to the websites of the BRLMs, as set forth in the table below:

Sr. No	Name of the BRLM	Website
1.	Kotak	http://investmentbank.kotak.com/track-record/Disclaimer.html
2.	DSP Merrill Lynch	http://www.dspml.com/gmcgib.aspx
3.	Edelweiss	http://www.edelweissfin.com/FinancialServices/CapitalMarkets/InvestmentBanking.aspx
4.	ICICI Securities	http://www.icicisecurities.com/OurBusiness/?SubSubReportID=10946
5.	IDBI Capital	http://idbicapital.com/offerdisclaimer_TrackRecord.asp
6.	SBI Capital Markets	http://www.sbicaps.com/Main/TrackRecordEquity.aspx

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered pursuant to the Offer shall be subject to the provisions of the Companies Act, the Memorandum and Articles of Association, the terms of the Red Herring Prospectus and this Prospectus, Bid cum Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government, Stock Exchanges, RoC, the RBI and/or other authorities, as in force on the date of the Offer and to the extent applicable, or such other conditions as may be prescribed by SEBI, the RBI and/or any other authorities while granting its approval for the Offer.

Ranking of Equity Shares

The Equity Shares being offered pursuant to the Offer shall be subject to the provisions of the Companies Act and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares including rights in respect of dividend. The Allottees will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see the section "Main Provisions of Articles of Association" on page 295 of this Prospectus.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to its shareholders in accordance with the provisions of the Companies Act and the Memorandum and Articles of Association and provisions of the Listing Agreement to be entered into with the Stock Exchanges.

Face Value and Offer Price

The face value of the Equity Shares is Rs. 10 each and the Offer Price is Rs. 750 per Equity Share. The Anchor Investor Offer Price is Rs. 750 per Equity Share.

The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and advertised in all editions of English national daily Financial Express, all editions of Hindi national daily Jansatta and Mumbai edition of Navshakti (a Marathi newspaper), each with wide circulation, and made available on the websites of the Stock Exchanges, at least five Working Days prior to the Bid/Offer Opening Date. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI Regulations

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;

- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Listing Agreement executed with the Stock Exchanges and our Memorandum and Articles of Association.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, see the section "Main Provisions of Articles of Association" on page 295 of this Prospectus.

Market Lot and Trading Lot and Option to Receive Equity Shares in Dematerialized Form

In terms of Section 68B of the Companies Act, the Equity Shares shall be Allotted only in dematerialized form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialized form. Since trading of the Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in this Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of 20 Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of this Offer is with the competent courts/authorities in Mumbai.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares 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 of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office or to 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 Section 109A of the Companies Act shall, upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective depository participant.

Minimum Subscription and Minimum Allotment

In terms of the SEBI Regulations, the requirement for minimum subscription is not applicable to the Offer.

However, our Company is required to Allot Equity Shares constituting at least 25% of its post-Offer paid-up Equity Share capital. In the event such minimum Allotment is not made in this Offer, our Company and the Selling Shareholders shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days from the date on which our Company and the Selling Shareholders becomes liable to pay the amount, our Company and the Selling Shareholders shall pay interest as prescribed under Section 73 of the Companies Act.

Further, our Company shall ensure that the number of prospective Allottees to whom Equity Shares will be Allotted shall not be less than 1,000.

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on transfer or transmission of Equity Shares

Except for lock-in of the pre-Offer Equity Shares and Anchor Investor lock-in in the Offer as detailed in "Capital Structure **-** Notes to the Capital Structure – Details of Lock-in" on page 62 of this Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation/splitting except as provided in the Articles of Association. For details, see "Main Provisions of the Articles of Association - Sub-division, Consolidation and Cancellation of Share Certificate" on page 296 of this Prospectus.

The Equity Shares have not been reviewed or recommended by any U.S. federal or state securities commission or regulatory authority. The foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved.

Our Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act. The Equity Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only (i) outside the United States, to non-U.S. Persons in offshore transactions in reliance on Regulation S; and (ii) to investors within the United States and U.S. Persons that are both (A) "qualified institutional buyers" as defined in Rule 144A and (B) "qualified purchasers" as defined in Section 2(a)(51) and related rules of the U.S. Investment Company Act in reliance on Section 3(c)(7) of the U.S. Investment Company Act. Prospective purchasers in the United States are hereby notified that our Company is relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A and exemptions from the U.S. Investment Company Act.

Each purchaser of Equity Shares that is located within the United States or who is a U.S. Person, or who has acquired the Equity Shares for the account or benefit of a U.S. Person will be required to represent and agree, among other things, that such purchaser (i) is a U.S. QIB and a QP; and (ii) will only reoffer, resell, pledge or otherwise transfer the Equity Shares in an "offshore transaction" in accordance with Rule 903 or Rule 904 of Regulation S and under circumstances that will not require our Company to register under the Investment Company Act, in each case in accordance with all applicable securities laws.

Each other purchaser of the Equity Shares will be required to represent and agree, among other things, that (i) such purchaser is a non-U.S. person acquiring the Equity Shares in an "offshore transaction" in accordance with Regulation S, and (ii) any reoffer, resale, pledge or transfer of the Equity Shares by such purchaser will not be made to a person in the United States or to a person known by the undersigned to be a U.S. Person, in each case in accordance with all applicable securities laws.

OFFER STRUCTURE

Offer of 7,199,700 Equity Shares for cash at a price of Rs. 750 per Equity Share (including share premium of Rs. 740 per Equity Share) aggregating to Rs. 5,399.78 million through an offer for sale by the Selling Shareholders. The Offer will constitute 25.22% of the post-Offer paid-up Equity Share capital of our Company.

The Offer is being made through the Book Building Process.

	QIBs[1]	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares[2]	3,599,850 Equity Shares	Not less than 1,079,955 Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 2,519,895 Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Offer size available for Allotment/allocation	50% of the Offer Size being available for allocation. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion, if any) shall be available for allocation proportionately to Mutual Funds only.	Not less than 15% of the Offer or the Offer less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 35% of the Offer or the Offer less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allotment/allocation if respective category is oversubscribed	Proportionate as follows: (a) 125,995 Equity Shares shall be allocated on a proportionate basis to Mutual Funds only; and (b) 2,393,900 Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	In the event, the Bids received from Retail Individual Bidders exceeds 2,519,895 Equity Shares, then the maximum number of Retail Individual Bidders who can be allocated/Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for allocation/Allotment to Retail Individual Bidders by the minimum Bid Lot ("**Maximum RII Allottees**"). The allocation/Allotment to Retail Individual Bidders will then be made in the following manner: • In the event the number of Retail Individual Bidders who have submitted valid Bids in the Offer is equal to or less than Maximum RII Allottees, (i) Retail Individual Bidders shall be allocated / Allotted the minimum Bid Lot; and (ii) the balance Equity Shares, if any, remaining in the

	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders
			Retail Portion shall be allocated/ Allotted on a proportionate basis to the Retail Individual Bidders who have received allocation/Allotment as per (i) above for less than the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot). • In the event the number of Retail Individual Bidders who have submitted valid Bids in the Offer is more than Maximum RII Allottees, the Retail Individual Bidders (in that category) who will then be allocated/ Allotted minimum Bid Lot shall be determined on draw of lots basis. For details see, "Offer Procedure – Illustration Explaining Procedure of Allotment to Retail Individual Bidders" on page 289 of this Prospectus.
Minimum Bid	Such number of Equity Shares in multiples of 20 Equity Shares so that the Bid Amount exceeds Rs. 200,000	Such number of Equity Shares in multiples of 20 Equity Shares so that the Bid Amount exceeds Rs. 200,000	20 Equity Shares
Maximum Bid	Such number of Equity Shares not exceeding the Offer, subject to applicable limits.	Such number of Equity Shares not exceeding the Offer, subject to applicable limits.	Such number of Equity Shares, whereby the Bid Amount does not exceed Rs. 200,000.
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Bid Lot	20 Equity Shares and in multiples of 20 Equity Shares thereafter.	20 Equity Shares and in multiples of 20 Equity Shares thereafter.	20 Equity Shares and in multiples of 20 Equity Shares thereafter.
Allotment lot	20 Equity Shares and in multiples of one Equity Share thereafter	20 Equity Shares and in multiples of one Equity Share thereafter	20 Equity Shares and in multiples of one Equity Share thereafter
Trading lot	One Equity Share	One Equity Share	One Equity Share

	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders
Who can apply[3]	Public financial institutions as specified in section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FIIs and sub-account registered with SEBI (other than a sub-account which is a foreign corporate or foreign individual), VCFs, AIFs, state industrial development corporation, insurance company registered with IRDA, provident fund (subject to applicable law) with minimum corpus of Rs. 250 million, pension fund with minimum corpus of Rs. 250 million, in accordance with applicable law and National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals and Eligible QFIs.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)
Terms of payment	Full Bid Amount shall be payable at the time of submission of Bid cum Application Form (including for Anchor Investors[4])[5]	Full Bid Amount shall be payable at the time of submission of Bid cum Application Form. [5]	Full Bid Amount shall be payable at the time of submission of Bid cum Application Form. [5]

(1) *Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For details, see the section "Offer Procedure" on page 257 of this Prospectus.*

(2) *Subject to valid Bids being received at or above the Offer Price, this Offer is being made in accordance with Rule 19(2)(b)(i) of the SCRR, as amended and under the SEBI Regulations, where the Offer will be made through the Book Building Process wherein 50% of the Offer will be allocated on a proportionate basis to QIBs, provided that our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. Out of the QIB Portion (excluding the Anchor Investor Portion), 5% will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to QIBs (other than Anchor Investors) and Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 125,995 Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the*

QIB Bidders (other than Anchor Investors) in proportion to their Bids. Further, not less than 15% of the Offer will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer will be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price.

(3) *In case of joint Bids, only the name of the First Bidder (which should also be the first name in which the beneficiary account is held) should be provided in the Bid cum Application Form. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.*

Please note that other than FIIs (investing under Schedule 2 of the FEMA Regulations), Eligible NRIs (applying on a non-repatriation basis in accordance with Schedule 4 of the FEMA Regulations) and Eligible QFIs, Non-Residents are not permitted to participate in this Offer.

(4) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Forms. In case the Anchor Investor Offer Price is lower than the Offer Price, the balance amount will be payable as per pay-in date mentioned in the revised CAN.*

(5) *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 Bid cum Application Form.*

Under subscription, if any, in any category, except in the QIB Portion, would be met with spill over from other categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange.

Withdrawal of the Offer

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right not to proceed with the Offer at any time after the Bid/Offer Opening Date but before the Allotment. In such an event our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day of receipt of such notification. Our Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

If our Company and the Selling Shareholders withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with an issue of Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Offer 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 RoC.

Bid/Offer Programme

BID/OFFER OPENED ON	**December 7, 2012**(1)
BID/OFFER CLOSED ON	**December 11, 2012**

(1) *The Anchor Investor Bid/Offer Period was one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI Regulations.*

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid/ Offer Closing Date	Tuesday, December 11, 2012
Finalisation of Basis of Allotment with the BSE	On or about Thursday, December 20, 2012
Initiation of refunds	On or about Friday, December 21, 2012
Credit of Equity Shares to demat accounts of Allottees	On or about Saturday, December 22, 2012
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Wednesday, December 26, 2012

The above timetable is indicative and does not constitute any obligation on our Company, the Selling Shareholders or the BRLMs. Whilst our Company and the Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within 12 Working Days of the Bid/Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid/Offer Period by our Company and the Selling Shareholders, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

Except in relation to the Bids received from Anchor Investors and revision of Bids by the Retail Individual Bidders, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m**. (Indian Standard Time, "IST") during the Bid/Offer Period as mentioned above at the bidding centres and designated branches of SCSBs as mentioned on the Bid cum Application Form. On the Bid/Offer Closing Date, the Bids and any revision in the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until (i) 4.00 p.m. (IST) in case of Bids by QIB Bidders and Non-Institutional Bidders, and (ii) until 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of applications received up to the closure of timings and reported by the BRLMs to the Stock Exchanges. It is clarified that the Bids not uploaded on the electronic bidding system would be rejected. Retail Individual Bidders may revise their Bids during the Bid/Offer Period. QIB Bidders and Non-Institutional Bidders may revise their Bids upwards (in terms of quantity of Equity Shares or the Bid Amount) during the Bid/Offer Period. Such upward revision(s) must be made using the Revision Form. QIB Bidders and Non-Institutional Bidders are not permitted to lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. (IST) on the Bid/Offer Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday). Our Company, the Selling Shareholders or any member of the Syndicate is not liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

On the Bid/Offer Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on either side i.e. the floor price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Bid/Offer Period will be extended for at least three additional Working Days after revision of Price Band subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the changes on the websites of the BRLMs and at the terminals of the Syndicate Members.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

OFFER PROCEDURE

This section applies to all Bidders. Please note that QIBs (other than Anchor Investors) and Non-Institutional Bidders can participate in the Offer only through the ASBA process. Retail Individual Bidders can participate in the Offer through the ASBA process as well as the non ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that may be 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 case of ASBA Bidders, an amount equivalent to the full Bid Amount will be blocked by the SCSBs.

Our Company, the Selling Shareholders, the BRLMs and the Syndicate Members do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in applicable law, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and this Prospectus.

Book Building Procedure

In terms of Rule 19(2)(b)(i) of the SCRR, this Offer is for more than 25% of the post-Offer Equity Share capital of our Company. The Offer is being made through the Book Building Process wherein 50% of the Offer shall be available for allocation to QIBs on a proportionate basis, provided that our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis (one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors). Out of the QIB Portion (excluding the Anchor Investor Portion), 5% will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. Further, not less than 15% of the Offer will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer will be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price. Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider the participation of Anchor Investors in accordance with the SEBI Regulations.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, PAN and Client ID, shall be treated as incomplete and will 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 dematerialized form on the Stock Exchanges.

Bidders are required to ensure that the PAN provided in the Bid cum Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. In case of joint Bids, only the name of the First Bidder (which should also appear as the first holder of the beneficiary account held in joint names) should be provided in the Bid cum Application Form. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.

Bid cum Application Form

All Bidders other than the ASBA Bidders are required to submit their Bids through the Syndicate only. ASBA Bidders are required to submit their Bids, either through the SCSBs or through the Syndicate (in Specified Cities).

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs (applying on a non-repatriation basis) [(1)]	White
FIIs and Eligible QFIs (applying on a repatriation basis)	Blue
Anchor Investors[(2)]	White

[(1)]*Bid cum Application Forms 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/Offer Opening Date.*

[(2)] *Bid cum Application Forms for Anchor Investors shall be made available at the offices of the BRLMs.*

All Bidders other than the ASBA Bidders are required to submit their Bids through the Syndicate only. ASBA Bidders are required to submit their Bids through the SCSBs or with the Syndicate (only in the Specified Cities), authorizing blocking of funds that are available in the bank account specified in the Bid cum Application Form. In the case of Specified Cities, the ASBA Bids may either be submitted with the Designated Branches or with the Syndicate. Bidders other than ASBA Bidders shall only use the 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.

In case an ASBA Bidder opts to submit Bid cum Application Form in electronic mode, such Bidder shall submit the same either through the internet enabled bidding and banking facility available with the SCSB, or other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account held with the SCSB.

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. The Bidder should preserve this acknowledgment slip and should provide the same for any queries relating to non-Allotment of Equity Shares in the Offer.

ASBA Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only in the Specified Cities. ASBA Bidders should also ensure that Bid cum Application Forms submitted to the members of the Syndicate in the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Bid cum Application Forms, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries). ASBA Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

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 is deemed to have authorized our Company and the Selling Shareholders 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.

Who can Bid?

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, and minors having valid depository accounts as per Demographic Details (as defined herein below) provided by Depositories;

- Hindu undivided families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;

- Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares under their respective constitutional or charter documents;

- Mutual Funds registered with SEBI;

- Eligible NRIs on a non-repatriation basis subject to applicable laws. NRIs other than the Eligible NRIs cannot participate in this Offer;

- 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 of FIIs 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.

- VCFs registered with SEBI;

- AIFs registered with SEBI;

- Eligible QFIs;

- 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 authorized under their respective constitutions to hold and invest in equity shares;

- Scientific and/or industrial research organisations authorized in India to invest in equity shares;

- Insurance companies registered with IRDA;

- Provident Funds with a minimum corpus of Rs. 250 million and who are authorized under their constitutional documents to hold and invest in equity shares;

- Pension Funds with a minimum corpus of Rs. 250 million and who are authorized under their constitutional documents to hold and invest in equity shares;

- National Investment Fund;

- Limited liability partnerships registered under the LLP Act;

- Insurance funds set up and managed by the army, navy or air force of the Union of India;

- Insurance funds set up and managed by the Department of Posts, India; and

- Any other person eligible to Bid in this Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

As per the existing regulations, OCBs cannot participate in this Offer. Please note that other than FIIs (investing under Schedule 2 of the FEMA Regulations), Eligible NRIs (applying on a non-repatriation basis in accordance with Schedule 4 of the FEMA Regulations) and Eligible QFIs, Non-Residents are not permitted to participate in this Offer.

The Equity Shares have not been reviewed or recommended by any U.S. federal or state securities commission or regulatory authority. The foregoing authorities have not confirmed the accuracy or

determined the adequacy of this Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved.

Our Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act. The Equity Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only (i) outside the United States, to non-U.S. Persons in offshore transactions in reliance on Regulation S; and (ii) to investors within the United States and U.S. Persons that are both (A) "qualified institutional buyers" as defined in Rule 144A and (B) "qualified purchasers" as defined in Section 2(a)(51) and related rules of the U.S. Investment Company Act in reliance on Section 3(c)(7) of the U.S. Investment Company Act. Prospective purchasers in the United States are hereby notified that our Company is relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A and exemptions from the U.S. Investment Company Act.

Each purchaser of Equity Shares that is located within the United States or who is a U.S. Person, or who has acquired the Equity Shares for the account or benefit of a U.S. Person will be required to represent and agree, among other things, that such purchaser (i) is a U.S. QIB and a QP; and (ii) will only reoffer, resell, pledge or otherwise transfer the Equity Shares in an "offshore transaction" in accordance with Rule 903 or Rule 904 of Regulation S and under circumstances that will not require our Company to register under the Investment Company Act, in each case in accordance with all applicable securities laws.

Each other purchaser of the Equity Shares will be required to represent and agree, among other things, that (i) such purchaser is a non-U.S. person acquiring the Equity Shares in an "offshore transaction" in accordance with Regulation S, and (ii) any reoffer, resale, pledge or transfer of the Equity Shares by such purchaser will not be made to a person in the United States or to a person known by the undersigned to be a U.S. Person, in each case in accordance with all applicable securities laws.

Participation by associates and affiliates of the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to subscribe to this Offer in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and Syndicate Members may subscribe to or purchase Equity Shares in the Offer, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

The BRLMs and any persons related to the BRLMs cannot apply in the Offer under the Anchor Investor Portion.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand in the Mutual Fund portion is greater than 125,995 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion. With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds for allocation on a discretionary basis, 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.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs are permitted to participate in the Offer only on non-repatriation basis. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs should make payment through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Account or FCNR Account, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a NRO Account. Payment by drafts should be accompanied by a bank certificate confirming that this draft has been issued by debiting NRE Account, FCNR Account or NRO Account.

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 total post-Offer paid-up share capital of our Company. In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total post-Offer paid-up share capital or 5% of our total post-Offer paid-up share capital in case such sub-account is a foreign corporate or a foreign individual. As of now, the aggregate holding of FIIs and sub-accounts in our Company cannot exceed 24% of our total issued and 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 Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended (the "**SEBI FII Regulations**"), an FII, as defined in the SEBI FII Regulations, may issue or otherwise deal or hold, in offshore derivative instruments (as defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by a FII 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 regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FII is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it 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 BRLMs and the Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Offer. Any such offshore derivative instrument does not constitute any obligation or claim on or an interest in, our Company.

Only FIIs investing under Schedule 2 of the FEMA Regulations are permitted to participate in the Offer.

Bids by Eligible QFIs

Eligible QFIs are permitted to invest in the equity shares of Indian companies on a repatriation basis subject to certain terms and conditions. Eligible QFIs have also been permitted to invest in equity shares of Indian companies which are offered to the public in India in accordance with the SEBI Regulations. The individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid up capital of an Indian company respectively. These limits are in addition to the investment limits prescribed under the portfolio investment scheme for FIIs and NRIs. However, in cases of those sectors which have composite foreign investment caps, Eligible QFI investment limits are required to be considered within such composite foreign investment cap.

Eligible QFIs shall be eligible to Bid under the Non-Institutional Bidders category. Further, SEBI has specified, amongst other things, eligible transactions for Eligible QFIs (which includes investment in equity shares in public issues to be listed on recognized stock exchanges and sale of equity shares held by Eligible QFIs in their demat account through SEBI registered brokers), manner of operation of demat accounts by Eligible QFIs, transaction processes and investment restrictions. SEBI has specified that transactions by Eligible QFIs shall be treated at par with those made by Indian non-institutional investors in various respects including, margins, voting rights, public issues, etc.

Eligible QFIs are required to open a single non-interest bearing Rupee account with an AD category-I bank in India for routing the payment for transactions relating to purchase of equity shares (including investment in equity shares in public issues) subject to the conditions as may be prescribed by the RBI from time to time.

Eligible QFIs who wish to participate in the Offer are advised to use the Bid cum Application Form (blue in colour). Eligible QFIs shall compulsorily Bid through the ASBA process to participate in the Offer.

Eligible QFIs are not permitted to issue off-shore derivative instruments or participatory notes.

Eligible NRIs, Eligible QFIs and FIIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. There is no reservation for Eligible NRIs, Eligible QFIs and FIIs.

Bids by SEBI registered Venture Capital Funds and Alternative Investment Funds

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended, and the SEBI AIF Regulations, *inter alia* prescribe the investment restrictions on VCFs and AIFs, respectively.

Accordingly, the holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

Category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund under the category I AIFs, as defined in the SEBI AIF Regulations, can invest only up to 33.33% of the corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the LLP Act, a certified copy of certificate of registration issued under the LLP Act, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

(a) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b) the entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPs); and

(c) the industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPs).

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid, without assigning any reason thereof.

Please note that other than FIIs (investing under Schedule 2 of the FEMA Regulations), Eligible NRIs (applying on a non-repatriation basis in accordance with Schedule 4 of the FEMA Regulations) and Eligible QFIs, Non-Residents are not permitted to participate in this Offer.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of 20 Equity Shares and in multiples of 20 Equity Shares thereafter, so as to ensure that the Bid Amount does not exceed Rs. 200,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 200,000. Where the Bid Amount is over Rs. 200,000, non-QIB Bidders must ensure that they apply only through the ASBA process and such Bidders applying through the ASBA process will be considered for allocation under the Non-Institutional Portion. Furthermore, in case of non-ASBA Bids, if the Bid Amount is over Rs. 200,000, the Bid is liable to be rejected. The Cut-off Price option is an option given only to the Retail Individual Bidders indicating their agreement to Bid for and purchase the Equity Shares at the final Offer Price as determined at the end of the Book Building Process. Retail Individual Bidders can revise their Bid during the Bid/Offer Period and withdraw their Bid(s) until finalization of Basis of Allotment.

(b) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 200,000 and in multiples of 20 Equity Shares. A Bid cannot be submitted for more than the Offer size. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them by applicable laws. **QIB Bidders and Non-Institutional Bidders cannot withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. QIBs (other than Anchor Investors) and Non-Institutional Bidders are mandatorily required to submit their Bids through the ASBA process.**

Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'. In case the Bid Amount reduces to Rs. 200,000 or less due to a revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion.

(c) **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. 100 million. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. 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. Anchor Investors are not allowed to submit their Bid through the ASBA process. **Anchor Investors cannot withdraw their Bids or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Offer Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Offer Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.**

Information for the Bidders:

(a) Our Company and the BRLMs have declared the Bid/Offer Opening Date and Bid/Offer Closing Date in the Red Herring Prospectus registered with the RoC and also published the same in all editions of English national daily Financial Express, all editions of Hindi national daily Jansatta and Mumbai edition of Navshakti (a Marathi newspaper), each with wide circulation. This advertisement was as per the prescribed format.

(b) Our Company has registered the Red Herring Prospectus with the RoC at least three working days before the Bid/Offer Opening Date.

(c) QIBs (other than Anchor Investors) and Non-Institutional Bidders can participate in the Offer only through the ASBA process. Retail Individual Bidders have the option to Bid through the ASBA process or the non-ASBA process. 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 (i) submit the Bid cum Application Form in electronic form; or (ii) submit Bids through the Syndicate (only in the Specified Cities).

(d) Copies of the Bid cum Application Form and copies of the Red Herring Prospectus will be available with the Syndicate. For ASBA Bidders, physical Bid cum Application Forms will be available with the Designated Branches of the SCSBs, the Syndicate (in the Specified Cities) and at the Registered Office of our Company. For ASBA Bidders, electronic Bid cum Application Forms will be available on the websites of the NSE and the BSE and the SCSBs. Copies of the Bid cum Application Form and copies of the Red Herring Prospectus for Anchor Investors can be obtained from the BRLMs.

(e) An eligible Bidder, including Eligible NRIs, who would like to obtain the Red Herring Prospectus and/or the Bid cum Application Form can obtain the same from the Registered Office.

(f) Eligible Bidders who are interested in subscribing for the Equity Shares should approach any of the BRLMs or Syndicate Members or their authorized agent(s) to register their Bids. Bidders (other than the Anchor Investors) who wish to use the ASBA process should approach the Designated Branches of the SCSBs or the Syndicate (only in the Specified Cities) to register their Bids.

(g) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms submitted to the members of the Syndicate should bear the stamp of the members of the Syndicate, otherwise they are liable to be rejected. Bid cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch and/or the member of the Syndicate in the Specified Cities, if not, the same are liable to be rejected. Bid cum Application Forms submitted by Bidders whose beneficiary account is inactive shall be rejected.

(h) Incomplete Bid cum Application Forms and Bid cum Application Forms without the signature of the Bidder or the First Bidder, as the case may be, are liable to be rejected.

(i) The Bid cum Application Form can be submitted by the ASBA Bidders (i) in physical mode, to a member of the Syndicate in the Specified Cities; or (ii) either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained. Bid cum Application Form in electronic mode can be submitted only to the SCSB with whom the ASBA Account is maintained and not to the members of the Syndicate. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA

Account.

(j) ASBA Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only in the Specified Cities. ASBA Bidders should also ensure that Bid cum Application Forms submitted to the members of the Syndicate in the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Form from ASBA Bidders (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries). ASBA Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(k) For ASBA Bids submitted to the members of the Syndicate in the Specified Cities, the members of the Syndicate shall upload the ASBA Bid onto the electronic bidding system of the Stock Exchanges and deposit the Bid cum Application Form with the relevant branch of the SCSB, at the relevant Specified City, named by such SCSB to accept such Bid cum Application Forms from the members of the Syndicate (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries). The relevant branch of the SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the Bid cum Application Form. For ASBA Bids submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the Bid cum Application Form, before entering the ASBA Bid into the electronic bidding system.

(l) Except for Bids by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of a Bid in joint names, the First Bidder, should mention his/her PAN allotted under the Income Tax Act. In accordance with the circulars issued by SEBI, 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. With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified have been/will be "suspended for credit" by the Depositories, and no credit of Equity Shares pursuant to the Offer will be made in the accounts of such Bidders.

The Bidders should note that in case the DP ID, Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate or SCSBs do not match with the DP ID, Client ID and PAN available in the database of Depositories, the Bid cum Application Form is liable to be rejected and the Selling Shareholders, our Company, SCSBs and members of the Syndicate shall not be liable for losses, if any.

Pre - Offer Advertisement

Subject to Section 66 of the Companies Act, our Company has, after registration of the Red Herring Prospectus with the RoC, published a pre-Offer advertisement, in the form prescribed by the SEBI Regulations, in all editions of English national daily Financial Express, all editions of Hindi national daily Jansatta and Mumbai edition of Navshakti (a Marathi newspaper), each with wide circulation.

Method and Process of Bidding

(a) Our Company and the Selling Shareholders in consultation with the BRLMs will decide the Price Band and the minimum Bid Lot size for the Offer and the same shall be advertised in all editions of English national daily Financial Express, all editions of Hindi national daily Jansatta and Mumbai edition of Navshakti (a Marathi newspaper), each with wide circulation, and made available on the websites of the Stock Exchanges, at least five Working Days prior to the Bid/Offer Opening Date. The Syndicate and the SCSBs shall accept Bids from the Bidders during the Bid/Offer Period. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges.

(b) The Bid/Offer Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. In case of revision in the Price Band, the Bid/Offer Period shall be extended for a minimum period of three Working Days, subject to the total Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be published in all editions of English national daily Financial Express, all editions of Hindi national daily Jansatta and Mumbai edition of Navshakti (a Marathi newspaper), each with wide circulation and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate.

(c) During the Bid/Offer Period, non-ASBA Bidders should approach the Syndicate or their authorised agents to register their Bids. The Syndicate shall accept Bids from all non-ASBA Bidders and the ASBA Bidders in Specified Cities and they shall have the right to vet the Bids during the Bid/Offer Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the Syndicate (for the Bids to be submitted in the Specified Cities) to register their Bids. With respect to ASBA Bidders, the Bid cum Application Form or the Revision Form shall be submitted (i) either in physical form to the Designated Branches or in electronic form through the internet banking facility available with the SCSBs or any other electronically enabled mechanism for bidding; or (ii) to the Syndicate in Specified Cities.

(d) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels and Revision of Bids" below) 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 Offer Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Offer Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

(e) The Bidder cannot Bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate or SCSB will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph "Build up of the Book and Revision of Bids" on page 270 of this Prospectus.

(f) Except in relation to the Bids received from the Anchor Investors, the Syndicate/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("**TRS**"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

(g) The BRLMs shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/Offer Period i.e. one working day prior to the Bid/Offer Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

(h) Along with the Bid cum Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described in "- Escrow Mechanism - Terms of payment and payment into the Escrow Accounts" on page 268 of this Prospectus.

(i) Upon receipt of the Bid cum Application Form from the ASBA Bidder, 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 Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.

(j) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.

(k) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the 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.

(l) 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 Offer Account, or until withdrawal/failure of the Offer or until withdrawal (by Retail Individual Bidders) or rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalised, the Registrar to the Offer shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Offer Account. In case of withdrawal/failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

INVESTORS ARE ADVISED TO NOT SUBMIT THE BID CUM APPLICATION FORMS DIRECTLY TO THE ESCROW COLLECTION BANKS. BIDS SUBMITTED TO THE ESCROW COLLECTION BANKS SHALL BE REJECTED AND SUCH BIDDERS SHALL NOT BE ENTITLED TO ANY COMPENSATION ON ACCOUNT OF SUCH REJECTION.

Bids at Different Price Levels and Revision of Bids

(a) Our Company and the Selling Shareholders, in consultation with the BRLMs and without the prior approval of, or intimation, to the Bidders, reserve the right to revise the Price Band during the Bid/Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least five Working Days prior to the Bid/Offer Opening Date and the Cap Price will be revised accordingly.

(b) Our Company, in consultation with the Selling Shareholders and the BRLMs will finalise the Offer Price within the Price Band, without the prior approval of, or intimation, to the Bidders.

(c) Our Company, in consultation with the Selling Shareholders and the BRLMs, can finalise the Anchor Investor Offer Price within the Price Band, without the prior approval of, or intimation, to the Anchor Investors.

(d) 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 may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

(e) 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.

(f) In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who Bid at the Cut-off Price, such Retail Individual Bidders will receive refunds of the excess amounts in the manner provided in the Red Herring Prospectus.

(g) In accordance with the SEBI Regulations, QIB Bidders and Non-Institutional Bidders are not permitted to lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. QIB Bidders and Non-Institutional Bidders may revise their Bids upwards (in terms of quantity of Equity Shares or the Bid Amount) during the Bid/Offer Period. Such upward revision(s) must be made using the Revision Form. Retail Individual Bidders can revise their Bid(s) during the Bid/Offer Period and withdraw their Bid(s) until finalization of Basis of Allotment.

Escrow Mechanism, Terms of Payment and Payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, see "- Payment Instructions" on page 278 of this Prospectus.

Electronic Registration of Bids

(a) The Syndicate and the SCSBs will register the Bids using the on-line facilities of the Stock Exchanges.

(b) The Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid/Offer Closing Date.

(c) 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.

(d) None of the BRLMs, our Company, the Selling Shareholders or the Registrar to the Offer shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Syndicate Members or the SCSBs, (ii) the Bids uploaded by the Syndicate Members or the SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate Members or the SCSBs, or (iv) with respect to Bids by ASBA Bidders, Bids accepted and uploaded without blocking funds in the ASBA Accounts.

(e) A SCSB shall be responsible for any acts, mistakes or errors or omission and commissions, (i) in relation to the Bids accepted by such SCSB, (ii) in relation to the Bids uploaded by such SCSB, (iii) in relation to the Bids accepted but not uploaded by such SCSB, and (iv) with respect to Bids submitted by the ASBA Bidders with the members of the Syndicate in Specified Cities, Bids accepted and uploaded without blocking funds in the ASBA Accounts by such SCSB. It shall be presumed that for Bids uploaded by the SCSBs, the full Bid Amount has been blocked in the relevant ASBA Account. A member of the Syndicate shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by such member of the Syndicate, (ii) the Bids uploaded by such member of the Syndicate, (iii) the Bids accepted but not uploaded by such member of the Syndicate. With respect to Bids by ASBA Bidders, which are accepted and uploaded by a member of the Syndicate, the Designated Branch(es) of the relevant SCSB, which receives the relevant schedule (along with Bid cum Application Forms), will be responsible for blocking the necessary amounts in the ASBA Accounts.

(f) The Stock Exchanges will offer an electronic facility for registering Bids for the Offer. This facility will be available with the members of the Syndicate and their authorized agents and the SCSBs during the Bid/Offer Period. The members of the Syndicate 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/Offer 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 Exchanges.

(g) Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges would be made available at the bidding centres during the Bid/Offer Period.

(h) At the time of registering each Bid other than ASBA Bids, the Syndicate shall enter the following details of the Bidders in the on-line system:

1. Bid cum Application Form number;
2. PAN (of the sole/First Bidder);
3. Investor category and sub-category;
4. DP ID and Client ID;
5. Bid Amount;
6. Cheque number or demand draft number;
7. Number of Equity Shares Bid for; and

8. Price per Equity Share.

With respect to Bids by ASBA Bidders, at the time of registering such Bids, the SCSBs shall enter the following information pertaining to the ASBA Bidders into the on-line system:

1. Bid cum Application Form number;
2. PAN (of the sole/First Bidder);
3. Investor category and sub-category;
4. DP ID and Client ID;
5. Number of Equity Shares Bid for;
6. Price per Equity Share;
7. Bid Amount; and
8. Bank account number of the ASBA Bidder.

With respect to ASBA Bids submitted to the members of Syndicate at the Specified Cities, at the time of registering each Bid, the members of Syndicate shall enter the following details on the on-line system:

1. Bid cum Application Form number;
2. PAN (of the sole/First Bidder);
3. Investor category and sub-category;
4. DP ID and Client ID;
5. Number of Equity Shares Bid for;
6. Price per Equity Share;
7. Bank code for the SCSB where the ASBA Account is maintained;
8. Name of Specified City;
9. Bid Amount; and
10. Bank account number of the ASBA Bidder.

(i) TRS will be generated for each of the bidding options when the Bid is registered. 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 member of the Syndicate or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be allocated/Allotted either by the Syndicate, our Company or the Selling Shareholders.

(j) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(k) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Cities) 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. Further, QIB Bids can also be rejected on technical grounds listed herein. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids will be rejected on technical grounds listed herein. The BRLMs and their affiliate Syndicate Members, as the case may be, 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.

(l) The permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholders and/or the BRLMs are cleared or approved by the Stock Exchanges; 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 Selling Shareholders, 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 Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

(m) Only Bids that are uploaded on the electronic bidding system of the Stock Exchanges shall be considered for allocation/Allotment. Members of the Syndicate and the SCSBs will be given up to one day after the Bid/Offer Closing Date to verify DP ID and Client ID uploaded in the electronic bidding system during the Bid/Offer Period after which the Registrar to the Offer will receive this data from the Stock Exchanges and will validate the electronic bid details with depository's records. In case no corresponding record is available with depositories, which matches the three parameters, namely, DP ID, beneficiary Client ID and PAN, then such bids are liable to be rejected.

(n) The details uploaded in the electronic bidding system shall be considered as final and Allotment will be based on such details.

(o) Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of the electronic bidding system of the Stock Exchanges.

Build up of the Book and Revision of Bids

(a) Bids received from various Bidders through the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the BRLMs at the end of each day of the Bid/Offer Period.

(c) Retail Individual Bidders are permitted to revise their Bid(s) during the Bid/Offer Period.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The Syndicate and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.

(e) QIB Bidders and Non-Institutional Bidders are not permitted to lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. QIB Bidders and Non-Institutional Bidders may revise their Bids upwards (in terms of quantity of Equity Shares or the Bid Amount) during the Bid/Offer Period. Such upward revision(s) must be made using the Revision Form.

(f) The Bidder can make this revision any number of times during the Bid/Offer Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate or the SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid; or (ii) make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 200,000 if the Bidder wants to continue to Bid at Cut-off Price). The revised Bids must be submitted by the ASBA Bidders to the SCSB or to the Syndicate Member (in Specified Cities), where the original Bid was submitted. The non ASBA Bidders need to submit their revised Bids with the member 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. 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. If, however, the Retail Individual Bidder does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Bidder and the Retail Individual Bidder is deemed to have approved such revised Bid at Cut-off Price.

(h) 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 Escrow Account or unblocked by the SCSBs, as the case may be.

(i) Our Company and the Selling Shareholders, in consultation with the BRLMs, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 10,000 to Rs. 15,000.

(j) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the Bids by ASBA Bidders, if revision of the Bids results in an incremental amount, the relevant SCSB shall block the additional Bid Amount. In case of Bids other than ASBA Bids, the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions. In such cases, the Syndicate will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.

(k) The excess amount, if any resulting from downward revision of the Bid would be returned to the Retail Individual Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus.

(l) When a Bidder revises his or her Bid, he or she should surrender the earlier TRS and request for a revised TRS from the Syndicate or the SCSB, as applicable. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as a proof of his or her having revised the previous Bid. In case of revision by Retail Individual Bidders after the Bid/Offer Closing Date, revisions must be made using the Revision Form and must be submitted to the Registrar and no TRS may be provided for the same.

Price Discovery and Allocation

(a) Based on the demand generated at various price levels, our Company in consultation with the Selling Shareholders and the BRLMs, shall finalise the Offer Price and the Anchor Investor Offer Price.

(b) Under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange.

(c) Allocation to Eligible NRIs, Eligible QFIs and FIIs (and sub-accounts) registered with SEBI will be subject to applicable laws, rules, regulations, guidelines and approvals.

(d) Allocation to Anchor Investors shall be at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs, subject to compliance with the SEBI Regulations.

(d) In accordance with the SEBI Regulations, QIB Bidders and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bid(s) during the Bid/Offer Period and withdraw their Bid(s) until finalization of Basis of Allotment.

(e) The Basis of Allotment shall be published on the website of the Registrar to the Offer.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholders, the BRLMs and the Syndicate Members have entered into an Underwriting Agreement after the finalization of the Offer Price.

(b) After signing the Underwriting Agreement, our Company and the Selling Shareholders will update and file the updated Red Herring Prospectus with the RoC in accordance with the applicable law, which then would be termed as the ‘Prospectus’. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price (in the event Anchor Investors participate in this Offer), Offer size, and underwriting arrangements and will be complete in all material respects.

Advertisement regarding Offer Price and Prospectus

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Offer Price and the Anchor Investor Offer Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

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 and the Selling Shareholders in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN. All Anchor Investors will be sent a CAN post Anchor Investor Bid/Offer Period and in the event that the Offer Price is higher than the Anchor Investor Offer Price, the Anchor Investors will be sent a revised CAN 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 Offer Price and the Anchor Investor Offer Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. The revised CAN will constitute a valid, binding and irrevocable contract (subject to the issue of Allotment Advice) for the Anchor Investor to pay the difference between the Offer Price and the Anchor Investor Offer Price and accordingly the Allotment Advice will be issued to such Anchor Investors. In the event the Offer Price is lower than the Anchor Investor Offer Price, the Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice. The Allotment Advice 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 Offer Price being finalized at a price not higher than the Anchor Investor Offer Price and Allotment by the Board of Directors.

Designated Date and Allotment of Equity Shares:

(a) Our Company and the Selling Shareholders 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/Offer Closing Date. After the funds are transferred from the Escrow Account to the Public Offer Account on the Designated Date, our Company and the Selling Shareholders will ensure the credit to the successful Bidder's depository account.

(b) In accordance with the SEBI Regulations, Equity Shares shall be Allotted only in the dematerialized form to the Allottees.

(c) Allottees will have the option to re-materialise 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 Allotted to them.

Issuance of Allotment Advice

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, our Company shall pass necessary corporate action for Allotment of Equity Shares.

(b) Pursuant to confirmation of such corporate action, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Offer.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Bidder.

(d) The Issuance of Allotment Advice is subject to "Notice to Anchor Investors - Allotment Reconciliation and CANs" as set forth above.

GENERAL INSTRUCTIONS

Do's:

(a) Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law;

(b) Ensure that you have Bid within the Price Band;

(c) Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

(d) Ensure that the details about PAN, DP ID and Client ID are included in the Bid cum Application Form and are not incomplete or incorrect;

(e) Ensure that details about the Bidder's depository account are mentioned in the Bid cum Application Form and are not incomplete or incorrect and the Bidder's depository account is active as Allotment of Equity Shares will be in the dematerialized form only;

(f) 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 to the Syndicate (only in the Specified Cities) named by the SCSB where the ASBA Account, as specified in the Bid cum Application Forms, is maintained or at a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account;

(g) In relation to the ASBA Bids, ensure that you use the Bid cum Application Form bearing the stamp of the relevant SCSB and/or the Designated Branch and/or the member of the Syndicate (except in case of electronic forms);

(h) With respect to Bids by ASBA Bidders, ensure that the Bid cum Application Form is signed by the account holder in case the applicant is not the account holder;

(i) Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

(j) QIBs (other than Anchor Investors) and Non-Institutional Bidders should submit their Bids through the ASBA process only;

(k) Ensure that you request for and receive a TRS for all your Bid options;

(l) Ensure that you have funds equal to the Bid Amount in your bank account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective Designated Branch of the SCSB or a member of the Syndicate (only in Specified Cities);

(m) Ensure that the full Bid Amount is paid for the Bids submitted to the Syndicate or funds equivalent to the Bid Amount are available and blocked in case of any Bids submitted through the SCSBs, as the case may be.

(n) Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;

(o) Submit revised Bids to the same member of the Syndicate/SCSB through whom the original Bid was placed and obtain a revised TRS;

(p) Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same;

(q) Ensure that the Demographic Details are updated, true and correct in all respects;

(r) Ensure that signature of the sole Bidder / First Bidder should be included in the Bid cum Application Form;

(s) Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

(t) Ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the beneficiary account is held with the Depository Participant. In case of joint Bids, only the name of the First Bidder (which should also be the first name in which the beneficiary account is held) should be provided in the Bid cum Application Form. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.

(u) Ensure that the category and sub-category is correctly indicated;

(v) Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;

(w) Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

(x) Ensure that the DP ID, the Client ID and the PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the stock exchanges by the members of the Syndicate or the Designated Branch of the SCSB, as the case may be, match with the DP ID, the Client ID and the PAN available in the Depository database;

(y) Ensure that Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Offer Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;

(z) In relation to the ASBA Bids, ensure that your Bid cum Application Form is submitted either to a SCSB where the ASBA Account is maintained or with a member of the Syndicate in the Specified Cities, and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB) or to our Company or the Selling Shareholders or the Registrar to the Offer;

(aa) ASBA Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only in the Specified Cities and that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at-least one branch in the Specified Cities for the members of the Syndicate to deposit Bid cum Application Forms (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries);

(bb) In relation to the ASBA Bids, ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form; and

(cc) In relation to the ASBA Bids, ensure that you receive an acknowledgement from the Designated Branch or from the member of the Syndicate in the Specified Cities, as the case may be, for the submission of your Bid cum Application Form.

The Bid cum Application Form is liable to be rejected if these instructions are not complied with.

Don’ts:

(a) Do not Bid for lower than the minimum Bid Lot;

(b) Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;

(c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Syndicate or the SCSBs, as applicable.

(d) Do not pay the Bid Amount in cash, by money order, by postal order or by stockinvest;

(e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate or the SCSBs only;

(f) Do not submit the Bid cum Application Forms to Escrow Collection Bank(s);

(g) Do not Bid on a Bid cum Application Form that does not have the stamp of the BRLMs, Syndicate Member or the SCSBs;

(h) Anchor Investors should not Bid through ASBA process;

(i) Do not Bid at Cut-off Price (for QIB Bidders and Non-Institutional Bidders);

(j) Do not Bid for a Bid Amount exceeding Rs. 200,000 (for Bids by Retail Individual Bidders);

(k) Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

(l) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground;

(m) Do not submit the Bids without the full Bid Amount;

(n) Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

(o) Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms, or on Bid cum Application Forms in a color prescribed for another category of Bidder;

(p) Do not Bid if you are not competent to contract under the Indian Contract Act, 1872, as amended (except minors having valid depository accounts as per Demographic Details provided by Depositories);

(q) Do not submit more than five Bid cum Application Forms per ASBA Account;

(r) Do not withdraw your Bid(s) or lower the size of your Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage (for Bids by QIB Bidders and Non-Institutional Bidders);

(s) Do not submit the Bid cum Application Form if you are a Non-Resident, except for a FII (investing under Schedule 2 of the FEMA Regulations), an Eligible NRI investing on non-repatriation basis in accordance with Schedule 4 of the FEMA Regulations or an Eligible QFI;

(t) If you are a QIB Bidder, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date;

(u) If you are a Non-Institutional Bidder or a Retail Individual Bidder, do not submit your Bid after 3.00 p.m. on the Bid/Offer Closing Date;

(v) Do not submit Bid cum Application Form under the ASBA process to the Escrow Collection Banks (if such bank is not a SCSB), our Company, the Selling Shareholders or the Registrar to the Offer;

(w) Do not submit the Bid cum Application Form if you are applying through the ASBA process with a member of the Syndicate at a location other than the Specified Cities; and

(x) Do not submit ASBA Bids with a member of the Syndicate in the Specified Cities unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at-least one branch in the relevant Specified City, for the members of the Syndicate to deposit Bid cum Application Forms (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

The Bid cum Application Form is liable to be rejected if these instructions are not complied with.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bids must be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable.

(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected. Bidders should note that in the event incomplete Bid cum Application Form or Revision Form is submitted with any member of the Syndicate or the SCSB, as the case may be, such member of the Syndicate or the SCSB, as the case may be, will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms or Revision Forms.

(c) Information provided by the Bidders will be uploaded in the electronic bidding 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.

(d) For Retail Individual Bidders, the Bid must be for a minimum of 20 Equity Shares and in multiples of 20 Equity Shares thereafter subject to a maximum Bid Amount of Rs. 200,000.

(e) 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. 200,000 and in multiples of 20 Equity Shares thereafter. Bids cannot be made for more than the Offer 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. Bids must be submitted through ASBA process only.

(f) For Anchor Investors, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to Rs. 100 million and in multiples of 20 Equity Shares thereafter. Bids by various schemes of a Mutual Fund in the Anchor Investor Category shall be considered together for the purpose of calculation of the minimum Bid Amount of Rs. 100 million.

(g) In single name or in case of joint Bids, only the name of the First Bidder should be provided in the Bid cum Application Form and ensure that such First Bidder's name also appears as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.

(h) 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.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of PAN of the Bidders, DP ID and Client ID provided by them in the Bid cum Application Form, and as entered by Syndicate or SCSB while registering the Bid, the Registrar will obtain from the Depository the demographic details including address, Bidders bank account details, MICR

code and occupation (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 Bidders or unblocking of ASBA Account at the Bidders sole risk and none of the BRLMs, the Registrar, the Escrow Collection Banks, the SCSBs, our Company or the Selling Shareholders 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 DP ID, CLIENT ID AND PAN IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE DP ID, CLIENT ID AND PAN GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IN CASE OF JOINT BIDS, ONLY THE NAME OF THE FIRST BIDDER SHOULD BE PROVIDED IN THE BID CUM APPLICATION FORM AND ENSURE THAT SUCH FIRST BIDDER'S NAME ALSO APPEARS AS THE FIRST HOLDER OF THE BENEFICIARY ACCOUNT HELD IN JOINT NAMES.

Bidders may note that in case the DP ID, Client ID and PAN mentioned in the Bid cum Application Form, as the case may be and entered into the electronic bidding system of the stock exchanges by the members of the Syndicate or the SCSBs do not match with the DP ID, Client ID and PAN available in the Depository database, the Bid cum Application Form is liable to be rejected.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/CANs/Allotment Advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable.

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/Allotment Advice 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/Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In case of refunds through electronic modes as detailed in the Red Herring Prospectus, refunds may be delayed if bank particulars obtained from the Depository are incorrect. 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 none of our Company, the Selling Shareholders, the Escrow Collection Banks, the Registrar and the Syndicate 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.

Bids by FIIs and Eligible QFIs on a repatriation basis

Bids and revision to Bids must be made in the following manner:

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or in case of joint Bids, only the name of the First Bidder (which should also be the first name in which the beneficiary account is held) should be provided in the Bid cum Application Form.

3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs or Eligible QFIs but not in the names of persons not competent to contract under the Indian Contract Act, 1872, as amended (other than minors having valid depository accounts as per Demographic Details provided by Depositories), OCBs, firms or partnerships, foreign nationals (excluding Eligible QFIs), FVCIs, multilateral and bilateral development financial institutions or their nominees.

QIB Bidders and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. QIB Bidders and Non-Institutional Bidders may revise the size of their Bids upwards (in terms of quantity of Equity Shares or the Bid Amount) during the Bid/Offer Period. Such upward revision(s) must be made using the Revision Form.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/or commission.

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, Eligible QFI, insurance companies and provident funds with a minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with a minimum corpus of Rs. 250 million, 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 thereof.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(a) 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.

(b) With respect to Bids by insurance companies registered with IRDA, in addition to the above, a certified copy of the certificate of registration issued by IRDA must be lodged along with the Bid cum Application Form.

(c) With respect to Bids made by provident funds with a minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with a minimum corpus of Rs. 250 million, 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.

(d) With respect to Bids made by limited liability partnerships registered under the LLP Act, a certified copy of certificate of registration issued under the LLP Act, must be attached to 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 BRLMs may deem fit.

There is no reservation for Eligible NRIs, Eligible QFIs and FIIs.

Submission of Bid cum Application Forms or Revision Forms

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the BRLMs in the case of Anchor Investors and in other cases, to the members of the Syndicate, at the time of submission of the Bid. With respect to ASBA Bidders, the Bid cum Application Form or the Revision Form shall be submitted (i) either in physical form to the Designated Branches or in electronic form through the internet banking facility available with the SCSBs or any other electronically enabled mechanism for bidding; or (ii) to the member of the Syndicate in Specified Cities.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders

Our Company, the Selling Shareholders and the Syndicate shall open Escrow Account(s) with the Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders would be deposited in the Escrow Account. Please note that escrow mechanism is applicable only to Bidders applying by way of non

ASBA process.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Bidders 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 Offer Account with the Bankers to the Offer. The balance amount after transfer to the Public Offer 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 Selling Shareholders, 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 Bid cum Application Form and the SCSB shall block an amount equivalent to the Bid Amount in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal (by Retail Individual Bidders) or rejection of the ASBA Bid or receipt of instructions from the Registrar to unblock the Bid Amount. In the event of withdrawal (by Retail Individual Bidders) or rejection of the Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar shall give instructions to the SCSB to unblock the funds in the relevant ASBA Account on the Designated Date. The Bid Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Offer and consequent transfer of the Bid Amount to the Public Offer Account, or until withdrawal/failure of the Offer or until rejection of the Bids by ASBA Bidder, as the case may be.

In case of Bids by FIIs, a special Rupee account should be mentioned in the Bid cum Application Form, for blocking of funds, along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that this draft has been issued by debiting the ‘Special Rupee Account’.

In case of Bids by Eligible NRIs (permitted to apply in the Offer only on a non-repatriation basis), the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Account or FCNR Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a NRO Account. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting NRE Account, FCNR Account or NRO Account.

Payment into Escrow Account for Bidders other than ASBA Bidders

Each Bidder shall draw a cheque or demand draft, or for Anchor Investors, remit the funds electronically through the RTGS mechanism, for the Bid Amount payable on the Bid as per the following terms:

1. All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.

2. 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. 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. Bid cum Application Forms accompanied by cash/stockinvest/money orders/postal orders will not be accepted.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

    (a) In case of Retail Individual Bidders: “CARE Public Offer – Escrow Account – R”

4. 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 Offer 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 Offer Price as per the pay-in date mentioned in the revised CAN. If the Offer Price is lower than the price at which allocation is made to Anchor Investors, the amount in excess of the Offer Price paid by Anchor Investors shall not be refunded to them.

5. 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: "CARE Public Offer – Escrow Account – Anchor - R"

   (b) In case of Non-Resident Anchor Investors: "CARE Public Offer – Escrow Account – Anchor - NR"

6. For Eligible NRIs (applying on non-repatriation basis in accordance with Schedule 4 of the FEMA Regulations), the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Account, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a NRO Account. Payment by drafts should be accompanied by a bank certificate confirming that this draft has been issued by debiting an NRE Account or FCNR Account or NRO Account.

7. The monies deposited in the Escrow Account will be held for the benefit of the Bidders (other than ASBA Bidders) till the Designated Date.

8. 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 Offer Account with the Bankers to the Offer.

   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 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.

9. Payments made through cheques without the MICR code will be rejected.

10. Bidders are advised to provide the number of the Bid cum Application Form on the reverse of the cheque or bank draft to avoid misuse of instruments submitted with the Bid cum Application Form.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single name or as joint Bids. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required.

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 more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Bids by QIBs under the Anchor Investor Portion and the QIB Portion (excluding the Anchor Investor Portion) will not be treated as multiple Bids.

After submitting a Bid through an ASBA process using a Bid cum Application Form either in physical or electronic mode, where such ASBA Bid has been submitted to the SCSBs or members of the Syndicate in Specified Cities and uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, whether on another Bid cum Application Form, to either the same or another Designated Branch of the SCSB, or to the same or another member of the Syndicate in Specified Cities. 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 Equity Shares in the Offer. 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" above on page 270 of this Prospectus. Please note that QIB Bidders and Non-Institutional Bidders are not permitted to withdraw or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage.

More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account. However, Bidders should note that not more than five Bid cum Application Forms with respect to any single ASBA Account shall be accepted.

Duplicate copies of 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 Selling Shareholders and BRLMs, reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. In this regard, the procedure which would be followed by the Registrar to detect multiple Bids is given 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. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the Bidders for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Bids will be checked for common DP ID and Client ID. In any such Bids which have the same DP ID and Client ID, these will be treated as multiple Bids and will be rejected.

Permanent Account Number or PAN

Except for Bids on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in Sikkim, the Bidders, or in the case of a Bid in joint names, the First Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the circulars issued by SEBI, 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 residents in the state of Sikkim, who are 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**.

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Bids, the Registrar will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

With effect from August 16, 2010, the beneficiary accounts of the Bidders for whom PAN details have not been verified will be "suspended for credit" and no credit of Equity Shares pursuant to the Offer will be made in the accounts of such Bidders.

Withdrawal of Bids

Retail Individual Bidders can withdraw their Bids until finalization of Basis of Allotment. In case a Retail Individual

Bidder applying through the ASBA process wishes to withdraw the Bid during the Bid/Offer Period, the same can be done by submitting a request for the same to the concerned SCSB or the concerned member of the Syndicate, as applicable, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account. In case a Retail Individual Bidder wishes to withdraw the Bid after the Bid/Offer Period, the same can be done by submitting a withdrawal request to the Registrar to the Offer until finalization of Basis of Allotment. The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date.

QIBs and Non-Institutional Bidders cannot withdraw their Bids at any stage.

REJECTION OF BIDS

Our Company has a right to reject Bids based on technical grounds. In case of QIB Bidders (other than Anchor Investors), our Company, in consultation with the Selling Shareholders and BRLMs, may at the time of submission of the Bid, reject such Bids provided that the reasons for rejecting the same shall be provided to such Bidders in writing. Bids by QIB Bidders may also be rejected on technical grounds. Consequent refunds shall be made by RTGS/NEFT/NECS/Direct Credit/cheque or pay order or draft and will be sent to the Bidder’s address at the Bidder’s risk. With respect to Bids by ASBA Bidders, the Designated Branches of the SCSBs shall have the right to reject Bids by ASBA Bidders 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 Bid by ASBA Bidder by the SCSB, our Company would have a right to reject the Bids by ASBA Bidders only on technical grounds.

Non ASBA Bids may be rejected 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 Bids by ASBA Bidders, inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form at the time of blocking such Bid Amount in the bank account;
- A partnership firm applying in its name, instead of in the names of the individual partners. However, a limited liability partnership can apply in its own name;
- Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended (other than minors having valid depository accounts as per Demographic Details provided by Depositories);
- Bids for lower number of Equity Shares than the minimum 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 Bid cum Application Forms per bank account (in case of ASBA Bids);
- Bids by Bidders whose demat accounts have been ‘suspended for credit’ pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- Bids at Cut-off Price by Non-Institutional Bidders and QIB Bidders;
- Bids for a Bid Amount of more than Rs. 200,000 by Bidders applying through the non-ASBA process;
- Bids for number of Equity Shares which are not in multiples of 20;
- Bids by Non-Residents, other than FIIs (investing under Schedule 2 of the FEMA Regulations), Eligible NRIs (applying on a non-repatriation basis in accordance with Schedule 4 of the FEMA Regulations) and

Eligible QFIs;

- Multiple Bids as defined in the Red Herring Prospectus;
- Submission of Bid by Anchor Investor through ASBA process;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by stockinvest, money order, postal order or cash;
- In case no corresponding record is available with the Depositories that matches the DP ID, Client ID and PAN;
- 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;
- With respect to ASBA Bids, where no confirmation is received from SCSB for blocking of funds;
- Bids by QIBs (other than Anchor Investors) and Non-Institutional Bidders not submitted through ASBA process;
- Bids by QIBs (other than Anchor Investors) and Non-Institutional Bidders accompanied by cheque(s) or demand draft(s);
- Bids by persons in the United States or by U.S. Persons (as defined in Regulation S) excluding persons who are both a U.S. QIB and a QP (as defined in the Red Herring Prospectus);
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Bids not uploaded on the terminals of the Stock Exchanges;
- Bids submitted by way of plain paper;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority; and
- Bids by OCBs.

IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES BY THE SYNDICATE/THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITARIES, THE APPLICATION IS LIABLE TO BE REJECTED.

EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in the Offer shall be only in a dematerialized form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar:

- Agreement dated December 1, 2011, among NSDL, our Company and the Registrar;
- Agreement dated April 17, 2012, among CDSL, our Company and the Registrar.

All Bidders can seek Allotment only in dematerialized mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(b) The Bidder must necessarily fill in the details (including the Client ID and DP ID) appearing in the Bid cum Application Form or Revision Form.

(c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

(d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint Bids, only the name and signature of the First Bidder (which should also be the first name in which the beneficiary account is held) should be provided in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.

(e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

(f) The Bidder is responsible for the correctness of his or her Demographic Details registered with the Depository Participant.

(g) Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

(h) The trading of the Equity Shares would be in dematerialized form only for all Bidders.

(i) Non transferable allotment advice or refund orders will be directly sent to the Bidders by the Registrar to the Offer.

Communications

All future communications in connection with Bids made in this Offer should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate or the Designated Branch of the SCSBs 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 in case of any pre-Offer or post-Offer related problems such as non-receipt of Allotment Advice, 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. In case of ASBA Bids submitted to the members of the Syndicate, the Bidders can contact the relevant member of the Syndicate in relation to queries relating to the Bids.

PAYMENT OF REFUND

Bidders other than ASBA Bidders must note that on the basis of Bidder's DP ID and Client ID 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 MICR code as appearing on a cheque leaf to make refunds.

On the Designated Date and no later than 12 Working Days from the Bid/Offer Closing Date, the Registrar to the Offer shall dispatch refund orders for all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on bidding, if any, after adjusting for Allotment to such Bidders.

Mode of making refunds for Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through various modes by any of the following:

1. NECS – Payment of refund 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.

2. Direct Credit – Applicants having bank accounts with the Refund Bank(s), as per the Demographic Details received from the Depositories, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Selling Shareholders in proportion to the Equity Shares offered by them in the Offer.

3. RTGS – Bidders having a bank account with a bank branch which is RTGS-enabled as per the information available on the RBI's website and whose refund amount exceeds Rs. 0.2 million, will be eligible to receive refund through RTGS, provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Bidder's bank which can be mapped with the RBI data to obtain the corresponding Indian Financial System Code ("**IFSC**"). Any bank charges levied by the Refund Bank will be borne by the Selling Shareholders in proportion to the Equity Shares contributed to the Offer. Any bank charges levied by the Bidders' bank receiving the credit will be borne by the respective Bidders.

4. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the IFSC, which can be linked to a MICR, if any, available to that particular bank branch. IFSC will be obtained from the website of the RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC of that particular bank branch and the payment of refund will be made to the applicants through this method.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched through Speed Post/Registered Post at Bidder's risk. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Please note that any bank charges levied by the Refund Bank will be borne by the Selling Shareholders in proportion to the Equity Shares contributed to the Offer.

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar shall instruct the SCSBs to unblock the funds in the relevant ASBA Accounts to the extent of the Bid Amount specified in the Bid cum Application Forms for withdrawn (by Retail Individual Bidders), rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Offer Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Bidders other than ASBA Bidders, our Company and the Selling Shareholders 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 of the Bidders and submit the documents pertaining to the Allotment to the Stock Exchanges within 12 Working Days from the Bid/Offer Closing Date.

In case of applicants who receive refunds through NECS, NEFT, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 Working Days from the Bid/Offer Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 15 days from the Bid/Offer

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 and the Selling Shareholders shall ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 12 Working Days of the Bid/Offer Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company and the Selling Shareholders further undertake that:

- Allotment of Equity Shares shall be made only in dematerialized form within 12 Working Days of the Bid/Offer 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 12 Working Days of the Bid/Offer Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 12 Working Days from the Bid/Offer Closing Date; and

- Our Company and the Selling Shareholders shall pay interest at 15% p.a. for any delay beyond 15 days from the Bid/Offer Closing Date, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 12 Working Days prescribed above. If such money is not repaid within eight days from the day our Company and the Selling Shareholders become liable to repay, our Company, the Selling Shareholders and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the applicable law.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of section 68 A of the Companies Act, which is reproduced below:

"*Any person who:*

(a) ***makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or***

(b) ***otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,***

***shall be punishable with imprisonment for a term which may extend to five years.*"**

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Offer Price.

- The Offer size less Allotment to Non-Institutional and QIB Bidders will be available for Allotment to Retail Individual Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price.

- If the aggregate demand in this category is less than or equal to 2,519,895 Equity Shares at or above the Offer Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

- In the event, the Bids received from Retail Individual Bidders exceeds 2,519,895 Equity Shares, then the maximum number of Retail Individual Bidders who can be allocated/Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for allocation/Allotment to Retail Individual Bidders by the minimum Bid Lot ("**Maximum RII Allottees**"). The allocation/Allotment to Retail Individual Bidders will then be made in the following manner:

    - In the event the number of Retail Individual Bidders who have submitted valid Bids in the Offer is equal to or less than Maximum RII Allottees, (i) Retail Individual Bidders shall be allocated / Allotted the minimum Bid Lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Portion shall be allocated/ Allotted on a proportionate basis to the Retail Individual Bidders who have received allocation/Allotment as per (i) above for less than the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

    - In the event the number of Retail Individual Bidders who have submitted valid Bids in the Offer is more than Maximum RII Allottees, the Retail Individual Bidders (in that category) who will then be allocated/ Allotted minimum Bid Lot shall be determined on draw of lots basis.

    For details see, "– Illustration Explaining Procedure of Allotment to Retail Individual Bidders" on page 289 of this Prospectus.

- Each successful Retail Individual Bidder shall be Allotted a minimum of 20 Equity Shares.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Offer Price.

- The Offer size less Allotment to QIBs and Retail Individual Bidders will be available for Allotment to Non-Institutional Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price.

- If the aggregate demand in this category is less than or equal to 1,079,955 Equity Shares at or above the Offer 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 1,079,955 Equity Shares at or above the Offer Price, Allotment shall be made on a proportionate basis up to a minimum of 20 Equity Shares, and in multiples of one Equity Share thereafter. For the method of proportionate Basis of Allotment refer below.

C. For QIBs (other than Anchor Investors)

- Bids received from the QIB Bidders at or above the Offer Price shall be grouped together to determine the total demand under this portion. The Allotment to all the successful QIB Bidders will be made at the Offer Price.

- The QIB Portion will be available for Allotment to QIB Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price.

- Allotment shall be undertaken in the following manner:

    (a) In the first instance allocation to Mutual Funds for 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 Offer Price.

(iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds will 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 of oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Offer 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, for the un-allocated demand.

(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 (other than spill over in case of under-subscription in other categories) to QIB Bidders shall be 3,599,850 Equity Shares.

D. For Anchor Investor Portion

- Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs, 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; and

(c) allocation to Anchor Investors shall be on a discretionary basis and subject to:

(i) a maximum number of two Anchor Investors for allocation upto Rs. 100 million;

(ii) a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than Rs. 100 million and up to Rs. 2,500 million subject to minimum allotment of Rs. 50 million per such Anchor Investor; and

(iii) a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than Rs. 2,500 million subject to minimum allotment of Rs. 50 million per such Anchor Investor.

- The number of Equity Shares allocated to Anchor Investors and the Anchor Investor Offer Price, shall be made available in the public domain by the BRLMs before the Bid/Offer Opening Date by intimating the same to the Stock Exchanges.

Method of Proportionate Basis of Allotment

In the event of the Offer being over-subscribed, our Company and the Selling Shareholders shall finalise the Basis of Allotment in consultation with the Designated Stock Exchange. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrar shall be responsible for ensuring that the Basis of Allotment is finalized in a fair and proper manner.

The Allotment to the QIB Bidders (except Anchor Investors) and Non-Institutional Bidders shall be made in marketable lots, on a proportionate basis as explained below:

a) Bidders in that respective category will be categorized according to the number of Equity Shares applied for.

b) The total number of Equity Shares to be Allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

c) Number of Equity Shares to be Allotted to the successful Bidders in that category will be arrived at on a proportionate basis, which is the total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

d) In all Bids where the proportionate Allotment is less than 20 Equity Shares per Bidder in that category, the Allotment shall be made as follows:

   - The successful Bidders out of the total Bidders for that category shall be determined by draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and

   - Each successful Bidder in that category shall be Allotted a minimum of 20 Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than 20 but is not a multiple of one (which is the marketable 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.

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising 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 BRLMs.

Illustration Explaining Procedure of Allotment to Retail Individual Bidders *(Investors should note that this example is solely for illustrative purposes and is not specific to the Offer)*

Total number of equity shares offered in the issue: 10 million, at an issue price of Rs. 600 per equity share. The retail portion for the issue consists of 3.5 million equity shares. The issuer fixes the minimum bid lot as 20 equity shares.

A. A total of 0.1 million retail individual bidders have applied in the issue, in varying number of bid lots i.e. between 1 to 16 bid lots, based on the maximum application size of up to Rs. 200,000. The retail individual bidders' category is oversubscribed 4 times. From the 0.1 million retail individual bidders, there are five retail individual bidders, namely A, B, C, D and E, who have applied in the issue as follows: A has applied for 320 equity shares, B has applied for 220 equity shares, C has applied for 120 equity shares, D has applied for 60 equity shares and E has applied for 20 equity shares. As per the SEBI Regulations, the allotment to retail individual bidders shall not be less than the minimum bid lot, subject to availability of shares, and the remaining available shares, if any, shall be allotted on a proportionate basis. Accordingly, the actual entitlement of each of A, B, C, D and E shall be as follows:

Name of the retail individual bidder	Total No. of equity shares applied for	Total number of equity shares eligible to be allotted
A	320	**20 equity shares** (i.e. the minimum bid lot) + **38 equity shares** [{3,500,000 - (100,000 * 20)} / {14,000,000 - (100,000 * 20)}] * 300 (i.e. 320-20)
B	220	**20 equity shares** (i.e. the minimum bid lot) + **25 equity shares** [{35,00,000 - (1,00,000 * 20) / {140,00,000 - (1,00,000 * 20)}] * 200 (i.e. 220-20)
C	120	**20 equity shares** (i.e. the minimum bid lot) + **13 equity shares** [{35,00,000 - (1,00,000 * 20)} / {(140,00,000 - (1,00,000 * 20)}] * 100 (i.e. 120-20)
D	60	**20 equity shares** (i.e. the minimum bid lot) + **5 equity shares** [{(35,00,000 - 1,00,000 * 20)} / {(140,00,000 - (1,00,000 * 20)}] * 40 (i.e. 60-20)
E	20	**20 equity shares** (i.e. the minimum bid lot)

B. A total of 0.2 million retail individual bidders have applied in the issue, in varying number of bid lots i.e. between 1 to 16 bid lots, based on the maximum application size of upto Rs. 200,000. The retail individual bidders' category is oversubscribed 9.37 times. Since the total number of equity shares offered retail individual bidders is 3,500,000 and the minimum bid lot is 20 equity shares, the maximum number of retail individual bidders who can be allotted this minimum bid lot will be 175,000 (i.e. 3,500,000/20). The remaining 25,000 retail applicants will not get allotment and such bidders will be determined on basis of draw of lots, in the manner provided below:

No. of lots	No. of equity shares at each lot	No. of retail individual bidders applying at each lot	Total No. of equity shares applied for at each lot	No. of retail individual bidders who shall receive minimum bid-lot (to be selected on lottery)
A	**B**	**C**	**D=(B*C)**	**E (175,000/200,000)*C**
1	20	10,000	200,000	8,750
2	40	10,000	400,000	8,750
3	60	10,000	600,000	8,750
4	80	10,000	800,000	8,750
5	100	20,000	2,000,000	17,500
6	120	20,000	2,400,000	17,500
7	140	15,000	2,100,000	13,125
8	160	20,000	3,200,000	17,500
9	180	10,000	1,800,000	8,750
10	200	15,000	3,000,000	13,125
11	220	10,000	2,200,000	8,750
12	240	10,000	2,400,000	8,750
13	260	10,000	2,600,000	8,750
14	280	5,000	1,400,000	4,375
15	300	15,000	4,500,000	13,125
16	320	10,000	3,200,000	8,750
Total		**200,000**	**32,800,000**	**1,75,000**

Letters of Allotment or Refund Orders or instructions to the SCSBs

The Registrar to the Offer shall give instructions for credit to the beneficiary account with depository participants within 12 Working Days from the Bid/Offer 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 eligible to get refunds through direct credit, RTGS and NEFT. Our Company shall ensure dispatch of refund orders, if any, by registered post or speed post at the sole or First Bidder's sole risk within 12 Working Days of the Bid/Offer 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 15 days from the Bid/Offer Closing Date. In case of ASBA Bidders, the Registrar shall instruct the relevant SCSBs to, on the receipt of such instructions from the Registrar, unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the Bid cum Application Form or the relevant part thereof, for withdrawn (by Retail Individual Bidders), rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Offer Closing Date.

Interest in case of delay in dispatch of Allotment Letters or Refund Orders/instruction to the SCSBs by the Registrar.

Our Company and the Selling Shareholders agree that (i) Allotment of Equity Shares; and (ii) credit to the successful Bidders' depository accounts will be completed within 12 Working Days of the Bid/Offer Closing Date. Our Company and the Selling Shareholders further agree that they 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 a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within 15 days from the Bid/Offer Closing Date, whichever is later.

Our Company and the Selling Shareholders 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 centres will be payable by the Bidders.

In case of ASBA Bidders, the SCSBs will un-block funds in the ASBA Account to the extent of refund to be made based on instructions received from the Registrar.

UNDERTAKINGS BY OUR COMPANY AND THE SELLING SHAREHOLDERS

Our Company undertakes the following:

- That if our Company does not proceed with the Offer after the Bid/Offer Closing Date, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre- Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- That if our Company and the Selling Shareholders withdraw the Offer after the Bid/Offer Closing Date, our Company shall file a fresh draft red herring prospectus with SEBI, in the event our Company and the Selling Shareholders subsequently decide to proceed with the Offer;
- That the complaints received in respect of this Offer shall be attended to by our Company expeditiously and satisfactorily;
- That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within 12 Working Days of the Bid/Offer Closing Date;
- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company;
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Bid/Offer Closing Date giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- That the certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time;

- That no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and

- That adequate arrangements shall be made to collect all Bid cum Application Forms under the ASBA process and to consider them similar to non-ASBA applications while finalizing the Basis of Allotment.

The Selling Shareholders undertake that:

- That the Equity Shares being sold pursuant to the Offer, have been held by them for a period of more than one year from the date of filing the Draft Red Herring Prospectus with SEBI, are fully paid-up and are in dematerialised form;

- The Equity Shares being sold pursuant to the Offer are free and clear of any liens or encumbrances and shall be transferred to the eligible investors within the specified time;

- The funds required for dispatch of refund orders or Allotment Advice by registered post or speed post shall be made available to the Registrar to the Offer by the Selling Shareholders;

- That the complaints received in respect of this Offer shall be attended to by the Selling Shareholders expeditiously and satisfactorily. The Selling Shareholders have authorized the Compliance Officer and the Registrar to the Offer to redress complaints, if any, of the investors;

- That the refund orders or Allotment advice to the successful Bidders shall be dispatched within specified time;

- That the Selling Shareholders shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received; and

- No further offer of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.

- That if the Selling Shareholders do not proceed with the Offer after the Bid/Offer Closing Date, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre- Offer advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

- That the Selling Shareholders shall not further transfer Equity Shares during the period commencing from submission of the Red Herring Prospectus with SEBI until the final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares Allotted/to be Allotted pursuant to the Offer;

- That the Selling Shareholders will not sell, transfer, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares available in the Offer;

- That the Selling Shareholders will take all such steps as may be required to ensure that the Equity Shares are available for transfer in the Offer;

- The Selling Shareholders shall provide reasonable support and extend reasonable co-operation as may be required by our Company for sending refunds through electronic transfer of fund, suitable communication to the Bidders within the statutory period. The Selling Shareholders shall reimburse our Company in the manner as agreed with our Company for any expenses incurred by or on our behalf by our Company with regard to sending such communication; and

- It shall comply with all applicable laws including Companies Act, SEBI Regulations, FEMA and the applicable circulars, guidelines and regulations issued by SEBI and the RBI, in relation to the Equity Shares offered by it in the Offer.

Utilization of Offer Proceeds

The Selling Shareholders along with our Company declare that all monies received out of the Offer 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.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DIPP issued the Consolidated FDI Policy with effect from April 10, 2012, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on April 10, 2012. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, Consolidated FDI Policy will be valid until the DIPP issues an updated circular (expected on April 10, 2013).

Subscription by foreign investors (NRIs/FIIs/QFIs)

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 of a company engaged in financial sector from an Indian resident to a non-resident does not require the prior approval of the RBI, provided that (i) no-objection certificates are obtained from the respective financial sector regulators of the investee company, the transferor and the transferee and such no-objection certificates are filed along with the Form FC-TRS with the authorized dealer; and (ii) the sectoral caps, conditionalities (including minimum capitalization and pricing), reporting requirements, documentation etc. are complied with in terms of the extant FDI policy and the FEMA Regulations.

The transfer of shares of a company engaged in financial sector from a non-resident to an Indian resident does not require the prior approval of the RBI, provided that (i) the original and resultant investment are in accordance with the sectoral caps, conditionalities (including minimum capitalization and pricing), reporting requirements, documentation etc. in terms of the extant FDI policy and the FEMA Regulations; (ii) pricing is in accordance with the guidelines prescribed by RBI/SEBI; and (iii) a certificate by a chartered accountant on such compliance is submitted with the authorized dealer along with the Form FC-TRS.

Pursuant to a circular dated January 13, 2012, the RBI has permitted Eligible QFIs to invest in equity shares of Indian companies on a repatriation basis subject to certain terms and conditions. Eligible QFIs have been permitted to invest in equity shares of Indian companies which are offered to the public in India in accordance with the SEBI Regulations. The individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid up capital of the Indian company, respectively.

Please note that other than FIIs (investing under Schedule 2 of the FEMA Regulations), Eligible NRIs (applying on a non-repatriation basis in accordance with Schedule 4 of the FEMA Regulations) and Eligible QFIs, Non-Residents are not permitted to participate in this Offer. Further, as per the existing policy of the Government of India, OCBs cannot participate in this Offer.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:

Shares at the Disposal of the Directors

Article 4 provides that "Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of our 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 our 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 our Company on payment in full or part of any property sold and transferred or for any services rendered to our Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares, and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting."

Consideration for Allotment

Article 5 provides that "The Board of Directors may allot and issue shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and/or in the conduct of its business; and any shares which may be so allotted may be issued as fully/partly paid up shares and if so issued shall be deemed as fully/partly paid up shares."

Restriction on Allotment

Article 6 provides that

a) "The Directors shall in making the allotments duly observe the provisions of the Act;

b) The amount payable on application on each share shall not be less than 5% of the nominal value of the share; and

c) Nothing herein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company."

Increase of Capital

Article 7 provides that "The Company at its General Meeting may, from time to time, by an Ordinary Resolution increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued on such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe, and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 87 of the Companies Act, 1956. Whenever the capital of the Company has been increased under the provisions of the Articles, the Directors shall comply with the provisions of Section 97 of the Act."

Reduction of Capital

Article 8 provides that "The Company may, subject to the provisions of Sections 78, 80, 100 to 105 (both inclusive) and other applicable provisions of the Act from time to time, by Special Resolution reduce its capital and any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorized by law, and in particular, the capital may be paid off on the footing that it may be called up again or otherwise."

Sub-division, Consolidation and Cancellation of Share Certificate

Article 9 provides that "Subject to the provisions of Section 94 of the Act, the Company in General Meeting, may by an ordinary resolution from time to time:

(a) Divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference of special advantage as regards dividend capital or otherwise as compared with the others

(b) Cancel shares which at the date of such general meeting 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."

New capital part of the existing capital

Article 10 provides that "Except so far as otherwise provided by the conditions of the issue or by these presents any capital raised by the creation of new shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise."

Power to issue Shares with differential voting rights

Article 11 provides that "The Company shall have the power to issue Shares with such differential rights as to dividend, voting or otherwise, subject to the compliance with requirements as provided for in the Companies (Issue of Share Capital with Differential Voting Rights) Rules, 2001, as amended, or any other law as may be applicable."

Power to issue preference shares

Article 12 provides that "Subject to the provisions of Section 80 of the Act, the Company shall have the powers to issue preference shares which are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of such redemption."

Further Issue of Shares

Article 13 provides that

"(1) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares then;

  a) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date;

  b) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of offer within which the offer, if not accepted, will be deemed to have been declined;

  c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right;

  d) After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company

(2) Notwithstanding anything contained in sub-clause (1) the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub- clause (1) hereof) in any manner whatsoever.

(a) If a special resolution to that effect is passed by the Company in General Meeting, or

(b) Where no such 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.

(3) Nothing in sub-clause (c) of (1) hereof shall be deemed:

(a) To extend the time within which the offer should be accepted; or

(b) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loans raised by the Company:

(i) To convert such debentures or loans into shares in the Company; or

(ii) To subscribe for shares in the Company.

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

(a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with rules, if any, made by that Government in this behalf; and

(b) In the case of debentures or loans other than debentures issued to or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans."

Right to convert loans into capital

Article 14 provides that "Notwithstanding anything contained in sub-clauses(s) above, but subject, however, to Section 81(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures or loans raised by the Company to convert such debentures or loans into shares or to subscribe for shares in the Company."

Allotment on application to be acceptance of shares

Article 15 provides that "Any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the register, shall, for the purpose of these articles, be a Member."

Return on allotments to be made or Restrictions on Allotment

Article 16 provides that "The Board shall observe the restrictions as regards allotment of shares to the public contained in Sections 69 and 70 of the Act, and as regards return on allotments, the Directors shall comply with Section 75 of the Act."

Money due on shares to be a debt to the Company

Article 17 provides that "The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, shall immediately on the inscription of the name of allottee in the Register of Members as the name of the holder of such shares become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly."

Installments on Shares

Article 18 provides that "If, by the conditions of allotment of any shares, the whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, shall be the registered holder of the share or his legal representative."

Members or heirs to pay unpaid amounts

Article 19 provides that "Every Member or his heir's executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner, as the Board shall from time to time, in accordance with the Company's regulations require or fix for the payment thereof."

Commission for placing shares, debentures, etc

Article 27 provides that

"(a) Subject to the provisions of the Act, the Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures, or debenture-stock of the Company or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, debentures or debenture-stock of the Company and provisions of Section 76 of the Act shall apply.

(b) The Company may also, in any issue, pay such brokerage as may be lawful."

Company's lien on shares /debentures

Article 28 provides that "The Company shall have a first and paramount lien upon all the shares /debentures (other than fully paid up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at fixed time in respect of such shares/debentures, and no equitable interest in any shares shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed, the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from provisions of this clause. The fully paid up shares shall be free from all lien and that in the case of partly paid shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares."

Enforcing lien by sale

Article 29 provides that "For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorize one of their members to execute a transfer thereof on behalf of and in the name of such member. 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 on such member or his representative and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for fourteen days after such notice."

Application of sale proceeds

Article 30 provides that "The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale."

Board to have right to make calls on shares

Article 31 provides that "The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution), make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and the member(s) and place(s) appointed by the Board. A call may be made payable by installments.

Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in General Meeting."

Notice for call

Article 33 provides that "Fourteen days notice in writing of any call shall be given by the Company specifying the date, time and places of payment and the person or persons to whom such call be paid."

Call when made

Article 34 provides that "The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call, and thereupon the call shall be deemed to have been made on the date so determined and if no such date is so determined a call shall be deemed to have been made at the date when the resolution authorizing such call was passed at the meeting of the Board."

Liability of joint holders for a call

Article 35 provides that "The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof."

Board to extend time to pay call

Article 36 provides that "The Board may, from time to time, at its discretion extend the time fixed for the payment of any call and may extend such time to all or any of the members. The Board may be fairly entitled to grant such extension, but no member shall be entitled to such extension, save as a matter of grace and favour."

Calls to carry Interest

Article 37 provides that "If a member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at 5% per annum or such lower rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member."

Dues deemed to be calls

Article 38 provides that "Any sum, which as per the terms of issue of a share becomes payable on allotment or at a fixed date whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same may become payable and in case of non payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified."

Proof of dues in respect of share

Article 39 provides that "On any trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares it shall be sufficient to prove (i) that the name of the members in respect of whose shares the money is sought to be recovered appears entered in the Register of Members as the holder, at or subsequent to the date on which the money sought to be recovered is alleged to have become due on the shares, (ii) 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 or his representatives pursuance of these Articles, and (iii) it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt."

Partial payment not to preclude forfeiture

Article 40 provides that "Neither a judgment nor a decree in favour of the Company, for call or other moneys due in respect of any share nor any part payment or satisfaction there under, nor the receipt by the Company of a portion of any money which shall, from time to time be due from any member to the Company in respect of his shares either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided."

Payment in anticipation of call may carry interest

Article 41 provides that

"(a) 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.

(b) The member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

(c) The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company."

Board to have right to forfeit shares

Article 42 provides that "If any member fails to pay any call or installment of a call on/ before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment."

Notice for forfeiture of shares

Article 43 provides that

"(a) The notice shall name a further day (not earlier than the expiration of fourteen days from the date of notice) and place or places on which such call or installment and such interest thereon (at such rate as the Directors shall determine from the day on which such call or installment ought to have been paid) and expenses as aforesaid, are to be paid.

(b) The notice shall also state that in the event of the non-payment at or before the time the call was made or installment is payable the shares will be liable to be forfeited."

Forfeited share to be the property of the Company

Article 46 provides that "Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board shall think fit."

Member to be liable even after forfeiture

Article 47 provides that "Any member whose shares have been forfeited shall, notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with the interest thereon from time to time of the forfeiture until payment at such rates as the Board may determine and the Board may enforce the payment thereof, if it thinks fit."

Claims against the Company to extinguish on forfeiture

Article 48 provides that "The forfeiture of a share involves extinction, at the time of the forfeiture of all interest in and all claims and demands against the Company, in respect of the shares and all other rights incidental to the share, except only such of those rights as by these Articles expressly saved."

Board entitled to cancel forfeiture

Article 52 provides that "The Board may at any time before any share so forfeited shall have them sold, re-allotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions at it thinks fit."

Register of Transfers

Article 53 provides that "The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any shares."

Endorsement of Transfer

Article 54 provides that "In respect of any transfer of shares registered in accordance with the provisions of these Articles, the Board may, at their discretion, direct an endorsement of the transfer and the name of the transferee and other particulars on the existing share certificate and authorize any Director or officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee."

Instrument of Transfer

Article 55 provides that "The instrument of transfer of any share shall be in writing and all the provisions of Section 108 of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use a common form of transfer in all cases."

Directors may refuse to register transfer

Article 58 provides that "Subject to the provisions of Section 111 and Section 111A of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in shares or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered with the Company, send notice of refusal to the transferee and transferor or to the person giving notice of such transfer, as the case may be, giving reasons for such refusal.

Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares."

Transfer of partly paid shares

Article 59 provides that "Where in the case of partly paid shares, an application for registration is to be made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act."

Survivor of joint holders recognized

Article 61 provides that "In case of the death of any one or more persons named in the Register of Members as the joint-holders of any shares, the survivors shall be the only person recognized by the Company as having any title to or interest in such share but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person."

Title to shares of deceased members

Article 62 provides that "Executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased member (not being one or two joint holders) shall be the only person recognized by the Company as having any title to the shares registered in the name of such member, and the Company shall be bound to recognize such executors or administrators or holders of a Succession Certificate or the legal representatives shall have first obtained Probate holders or Letter of Administration or Succession Certificate as the case may be, from a duly constituted Court in the Union of India. Provided that in any case where the Board in its absolute discretion, thinks fit, the Board may dispense with the production of Probate or Letter of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member."

Transfers not permitted

Article 63 provides that "No share shall in any circumstances be transferred to any infant, insolvent or person of unsound mind, except fully paid shares through a legal guardian."

Transmission of shares

Article 65 provides that "Subject to the provisions of the Act and these Articles presents, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any members, or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Article, or of his title, either be registering himself as the holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder, provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares."

Rights on Transmission

Article 66 provides that "A person entitled to a share by transmission shall, subject to the Directors' right to retain such dividends or money as hereinafter provided, be entitled to receive and may give discharge for any dividends or other moneys payable in respect of the share."

Instrument of transfer to be stamped

Article 67 provides that "Every instrument of transfer shall be presented to the Company duly stamped for registration, accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board."

Share Certificates to be surrendered

Article 68 provides that "Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (save as provided in Section 108) properly stamped and executed instrument of transfer."

No fee on Transfer or Transmission

Article 69 provides that "No fee shall be charged for registration of transfers, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document."

Company not liable to notice of equitable rights

Article 70 provides that "The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable rights, title or interest in the said shares, notwithstanding that the Company may have had notice of such equitable rights referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the board shall so think fit."

Dematerialisation of Securities

Article 72 provides that

(i) Definitions: For the purpose of this Article:

"*Beneficial Owner*" means a person whose name is recorded as such with a depository.

"*Bye-Laws*" means Bye-laws made by a Depository under Section 26 of the Depositories Act, 1996.

"*Depositories Act*" means the Depository Act, 1996, including any statutory modifications or re-enactment for the time being in force.

"*Depository*" means a Company formed and registered under the Act and which has been granted a Certificate of Registration under the Securities and Exchange Board of India Act 1992.

"*Member*" means the duly registered holder from time to time of the shares of the Company and includes every person whose name is entered as beneficial owner in the records of the depository.

"*Participant*" means a person registered as such under Section 12(1A) of the Securities and Exchange Board of India Act, 1992.

"*Record*" includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the Regulations issued by the Securities and Exchange Board of India in relation to the Depository Act, 1996.

"*Registered Owner*" means a depository whose name is entered as such in the records of the Company.

"SEBI" means the Securities and Exchange Board of India

"Security" means such security as may be specified by the Securities and Exchange Board of India from time to time.

Words imparting the singular number only includes the plural number and vice versa.

Words imparting persons include corporations.

Words and expressions used and not defined in the Act but defined in the Depositories Act, 1996 shall have the same meaning respectively assigned to them in that Act.

(ii) *Company to Recognize Interest In Dematerialized Securities Under The Depositories Act, 1996*.

Either the Company or the investor may exercise an option to issue, de-link, hold the securities (including shares) with a depository in Electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof.

(iii) *Dematerialisation/Re-Materialisation Of Securities*

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialize its existing securities, re-materialize its securities held in Depositories and/or offer its fresh securities in the de-materialized form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.

(iv) *Option To Receive Security Certificate Or Hold Securities With Depository*

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its record, the name of the allottees as the beneficial owner of that security.

(v) *Securities In Electronic Form*

All securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the Depository. Nothing contained in Section 153, 153A, 153B, 187 B, 187 C and 372 of the Act, shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

(vi) *Beneficial Owner Deemed As Absolute Owner*

Except as ordered by the Court of competent jurisdiction or by law required, the Company shall be entitled to treat the person whose name appears on the register of members as the holders of any share or whose name appears as the beneficial owner of the shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(vii) *Rights Of Depositories And Beneficial Owners*

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.

Save as otherwise provided above, the Depository is the registered owner of the securities, and shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository

(viii) *Register And Index Of Beneficial Owners*

The Company shall cause to be kept a Register and Index of members with details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by law including any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a Register and Index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a Branch register of Members resident in that State or Country.

(ix) *Cancellation Of Certificates Upon Surrender By Person*

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the depository as the Registered Owner in respect of the said securities and shall also inform the Depository accordingly.

(x) *Service Of Documents*

Notwithstanding anything contained in the Act, or these Articles, to the contrary, where securities are held in a depository, the record of the beneficial ownership may be served by such depository on the Company by means of hard copies or through electronic mode or by delivery of floppies or discs.

(xi) *Allotment Of Securities*

Where the securities are dealt within a Depository, the Company shall intimate the details of allotment of relevant securities to the Depository on allotment of such securities.

(xii) *Transfer Of Securities*

The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly, particulars of every transfer or transmission of any share held in material form. Nothing contained in these Articles shall apply to transfer of securities held in depository.

(xiii) *Distinctive Number Of Securities Held In A Depository*

The shares in the capital shall be numbered progressively according to their several denominations, provided, however that the provisions relating to progressive numbering shall not apply to the share of the Company which are in dematerialized form. Except in the manner provided under these Articles, no share shall be sub-divided. Every forfeited or surrendered share be held in material form shall continue to bear the number by which the same was originally distinguished.

(xiv) *Provisions Of Articles To Apply To Shares Held In Depository*

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depository Act, 1996.

(xv) *Depository To Furnish Information*

Every Depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by laws and the Company in that behalf.

(xvi) *Option To Opt Out In Respect Of Any Such Security*

If a beneficial owner seeks to opt out of a Depository in respect of any security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

(xvii) *Overriding Effect Of This Article*

Provisions of this Article will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles of these presents.

Nomination Facility

Article 73 provides that

"(I) Every holder of shares, or holder of debentures of the Company may at any time, nominate, in the prescribed manner a person to whom his shares in or debentures of the Company shall rest in the event of his death.

(II) Where the shares in or debentures of the Company are held by more than one person jointly, the joint holders may together nominate in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company shall rest in the event of death of all the joint holders.

(III) Notwithstanding any thing contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise in respect of such shares in or debentures of the Company where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or debentures holder of the Company or as the case may be on the death of the joint holders become entitled to all the rights in the shares or debentures of the Company or as the case may be all the joint holders in relation to such shares in or debenture of the Company to the exclusion of all the other persons, unless the nomination is varied or cancelled in the prescribed manner.

(IV) Where the nominee is a minor it shall be lawful for the holder of shares or debentures, to make the nomination and to appoint in the prescribed manner any person to become entitled to shares in or debentures of the Company in the event of his death in the event of minority of the nominee.

Any person who becomes a nominee by virtue of the provisions of Section 109 A upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either

a) To be registered himself as holder of the shares or debentures as the case may be, or

b) To make such transfer of the share or debenture as the case may be, as the deceased shareholder or debenture holder, as the case may be could have made.

If the person being a nominee, so becoming entitled, elects to be registered himself as a holder of the share or debenture as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with a Death Certificate of the deceased share holder or debenture holder as the case may be.

All the limitations, restrictions and provisions of this Act, relating to the right to transfer and registration of transfer of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer where a transfer is signed by that shareholder or debenture holder, as the case may be.

A person being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture, except that he shall not, before being registered a member in respect of his share of debenture, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture and if the notice is not complied with within 90 days, the Board may thereafter withhold payments of all dividends, bonus, or other monies payable in respect of the share or debenture, until the requirements of the notice have been complied with.

A Depository may in terms of Section 58 A at any time, make a nomination and above provisions shall as far as may be, apply to such nomination.

Buy Back of Shares

Article 75 provides that "The Company shall be entitled to purchase its own shares or other securities, subject to such limits, upon such terms and conditions and subject to such approvals as required under Section 77 A, 77AA and 77B and other applicable provisions of the Act, The Securities and Exchange Board of India Act, 1992 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations 1998 and any amendments, modification(s), repromulgation (s) or re- enactment(s) thereof."

Rights to issue share warrants

Article 77 provides that

"(a) The Company may issue share warrants subject to, and in accordance with provisions of Section 114 and 115 of the Act.

(b) The Board may, in its discretion, with respect to any share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant."

Rights of warrant holders

Article78 provides that

"(a) The bearer of the share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right to signing a requisition, for calling a meeting of the Company, and of attending, and voting and exercising other privileges of a member at any meeting held after the expiry of two clear days from time of the deposit, as if his name were inserted in the Register or Members as the holder of the shares included in the deposited warrant.

(b) Not more than one person shall be recognized as the depositor of the share warrant.

(c) The Company shall, on two days written notice, return the deposited share warrant to the depositor."

Article 79 provides that

"(a) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company.

(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the shares included in the warrant, and he shall be member of the Company."

Board to make rules

Article 80 provides that "The Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction."

Rights to convert shares into stock & vice-versa

Article 81 provides that "The Company in General Meeting may, by an Ordinary Resolution, convert any fully paid-up shares into stock and when any shares shall have been converted into stock the several holders of such stock, may henceforth transfer their respective interest therein, or any part of such interest in the same manner and subject to the same Regulations as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place. The Company may, by an Ordinary Resolution reconvert any stock into fully paid up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal amount of shares from which the stock arose."

Rights of stock holders

Article 82 provides that "The holders of stock shall according to the amount of stock held by them have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose; but no such privileges or advantages (except participation in the dividends and profits of the Company and in the assets on winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred those privileges or advantages."

Annual General Meetings and Extraordinary General Meetings

Article 83 provides that "The Company shall, in addition to any other meetings hold a General Meeting which shall be called as its Annual General Meeting, at the intervals and in accordance with the provisions of the Act.

The Board may, whenever it thinks fit, convene an Extraordinary General Meeting at such date, time and at such place as it deems fit, subject to such directions if any, given by the Board."

Extraordinary Meetings on requisition

Article 84 provides that "The Board shall on, the requisition of members convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under Section 169 of the Act."

Notice for General Meetings

Article 85 provides that "All General Meetings shall be convened by giving not less than twenty- one days notice excluding the day on which the notice is served or deemed to be served (i.e. on expiry of 48 hours after the letter containing the same is posted) and the date of the meeting, specifying the place and hour of the meeting and in case of any special business proposed to be transacted, the nature of that business shall be given in the manner mentioned in Section 173 of the Act. Notice shall be given to all the shareholders and to such persons as are under the Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any member shall not invalidate the proceedings of any General Meeting."

Quorum for General Meeting

Article 89 provides that "Five members or such other number of members as the law for the time being in force prescribes shall be entitled to be personally present, shall be quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the meeting."

Chairman of General Meeting

Article 91 provides that "The Chairman, if any, of the Board of Directors shall preside as Chairman at every General

Meeting of the Company."

Election of Chairman

Article 92 provides that "If there is no such Chairman or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the members present shall choose another Director as Chairman and if no Director be present or if all the Directors decline to take the chair then the members present shall choose someone of their number to be the Chairman."

Voting at Meeting

Article 94 provides that "At any General Meeting, a resolution put to the vote at the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of Section 179 of the Act. Unless a poll is so demanded, a declaration by the Chairman that the resolution had, on a show of hands been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution."

Decision by poll

Article 95 provides that "If a poll is duly demanded in accordance with the provisions of the Act, it shall be taken in such manner as the Chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded."

Casting vote of Chairman

Article 96 provides that "In case of equal votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or a casting vote in addition to the vote or votes to which he may be entitled to as a member."

Poll to be immediate

Article 97 provides that

"(a) A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not later than forty eight hours from the time of demand as the Chairman of the meeting directs.

(b) A demand for a poll shall not prevent the continuance of a Meeting of the transaction of any business other than that on which a poll has been demanded. The demand for a poll may be withdrawn at anytime by the person or persons who made the demand."

Passing resolutions by Postal Ballot

Article 99 provides that

"(a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the general meeting of the Company.

(b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under section 192A of the Act and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, as amended from time."

Voting rights of Members

Article 102 provides that

“a) On a show of hands every member holding equity shares and present in person shall have one vote.

b) On a poll, every member holding equity shares therein shall have voting rights in proportion to his shares of the paid up equity share capital.

c) On a poll, a member having more than one vote, or his proxy or other persons entitled to vote for him need not use all his votes in the same way.

Provided that in the event of the Company issuing Preference Shares, the holders of such Preference Shares shall have no right to vote either in person or by proxy, at any General Meeting by virtue of or in respect of their holdings of Preference Shares, unless the preferential dividend due on such Preference Shares or any part of such dividend has remained unpaid in respect of the period specified in Section 87 of the Act or unless a resolution is proposed directly affecting the rights or privileges attached to such Preference Shares.

For the purpose of this Article:

a) Any resolution for winding up the Company or for the repayment or reduction of its share capital shall be deemed directly to affect the rights attached to Preference Shares.

b) Dividend shall be deemed to be due on Preference Shares in respect of any period whether a dividend has been declared by the Company on such shares for such period or not -

(i) On the last day specified for the payment of such dividend for such period in the Article or other instrument executed by the Company in that behalf;

Or

(ii) In case no day specified, on the day immediately following such period.”

Voting by joint-holders

Article 104 provides that “Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the meeting provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by attorney or by proxy although the name of such joint holder present by attorney or proxy stands first or higher (as the case may be) in the Register in respect of such shares. Several executors or administrators of a deceased Member in whose (deceased Member's) sole name any share stands shall for the purposes of this Article be deemed joint holders.”

No right to vote unless calls are paid

Article 106 provides that “No member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.”

Proxy

Article 107 provides that “On a poll, votes may be given either personally or by proxy or in case of a Corporation also by a representative duly authorized in accordance with the Act and these presents

a) A proxy so appointed shall not have any right to speak at the meeting;

b) In every notice calling a meeting of the Company, there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint proxy to attend and vote instead of himself and that a proxy need not be a Member.”

Instrument of proxy

Article 108 provides that "The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorized in writing or if appointed by a Corporation either under its common seal or under the hand of its attorney duly authorized in writing. Any person whether or not he is a member of the Company may be appointed as a proxy.

The instrument appointing a proxy and Power of Attorney or other authority (if any) under which it is signed must be deposited at the registered office of the Company not less than forty eight hours prior to the time fixed for holding the meeting at which the person named in the instrument proposed to vote, or, in case of a poll, not less than twenty four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid. No attorney shall be entitled to vote unless the Power of Attorney or other instrument appointing him as attorney or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time of the meeting at which the attorney proposes to vote or is deposited at the Office not less than forty-eight hours before the time of same meeting as aforesaid. Notwithstanding that a Power of Attorney or other authority has been registered in the records of the Company, the Company may by notice in writing addressed to the Member or the attorney at least seven days before the date of a meeting require him to produce the original Power of Attorney or authority and unless the same is thereupon deposited with the Company not less than forty-eight hours before the time fixed for the meeting the attorney shall not be entitled to vote at such meeting unless the Directors in their absolute discretion excuse such non-production and deposit. Every Member entitled to vote at a meeting of the Company or any resolution to be moved there at 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 that not less than three days notice in writing of the intention so to inspect is given to the Company

Article 109 provides that "The form of proxy shall be two way proxies as given in Schedule IX of the Act enabling the shareholder to vote for/against any resolution."

Validity of proxy

Article 111 provides that "A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death of or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the shares in respect of revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used."

Corporate Members

Article 112 provides that "Any corporation which is a member of the Company may, by resolution of its Board of Director or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual member of the Company."

Number of Directors

Article 115 provides that "Unless otherwise determined by General Meeting, the number of Directors shall not be less than three and not more than twelve, including all kinds of Directors.

Not less than 2/3rd of the total number of directors of the Company may be appointed according to the principle of proportional representation whether by a single transferable vote or by a system of cumulative voting or otherwise in accordance with section 265 of the Act.

Article 116 provides that "The persons hereinafter named were the first Directors of the Company:

(1) Serajul Haq Khan

(2) Ramchandra Hanmant Patil

(3) Pathakattyl Mathai Thomas”

Share qualification not necessary

Article 117 provides that “Any person whether a member of the Company or not may be appointed as Director and no qualification by way of holding shares shall be required of any Director.”

Director’s power to fill-up casual vacancy

Article 118 provides that “The Directors shall have power at any time and from time to time to appoint subject to the provisions of these presents any person as a Director either to fill a casual vacancy or as an additional Director on the Board but so that the total number shall not at any time exceed the maximum number fixed as above but any Director so appointed as an additional Director shall hold office only upto the date of the next following Annual General Meeting of the Company and shall then be entitled for re-election and any Director so appointed to fill a casual vacancy shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated.”

Additional Directors

Article 119 provides that “The Board of Directors shall have power at any time and from time to time to appoint one or more persons as Additional Directors provided that the number of Directors and Additional Directors together shall not exceed the maximum number fixed. An additional Director so appointed shall hold office up to the date of the next Annual general Meeting of the Company and shall be eligible for re-election by the Company at that Meeting.”

Alternate Directors

Article 120 provides that “Subject to Section 313 of the Act, the Board of Directors may appoint an Alternate Director to act for a Director (hereinafter called the original Director) during the absence of the original Director for a period of not less than 3 months from the state in which the meetings of the Board are ordinarily held. An Alternate Director so appointed shall vacate office if and when the original Director return to the state in which the meetings of the Board are ordinarily held. If the terms of the office of the original Director is determined before he so returns to the state aforesaid any provision for the automatic reappointment of retiring Director in default of another appointment shall apply to the original and not to the Alternate Director.”

Remuneration of Directors

Article 121 provides that “A Director may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any Committee thereof attended by him. The remuneration of Directors including Managing Director and/or Whole-time Director may be paid in accordance with Section 309 of the Act.

The Board of Directors may allow and pay to any Director who is not a bonafide resident of the place where a meeting of the Board or of any Committee is held and who shall come to such place for the purpose of attending such meeting or for attending its business at the request of the Company, such sum as the Board may consider fair compensation for travelling, and out-of-pocket expenses and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business he shall be entitled to be reimbursed any travelling or other expenses incurred in connection with the business of the Company”

Remuneration for extra services

Article 122 provides that “If any Director, being willing, shall be called upon to perform extra services or to make any special exertions (which expression shall include work done by Director as a member of any Committee formed by the Directors) in going or residing away from the town in which the Registered Office of the Company may be situated for any purposes of the Company or in giving any special attention to the business of the Company or as member of the Board, then subject to the provisions of the Act the Board may remunerate the Director so doing either by a fixed sum, or by a percentage of profits or otherwise and such remuneration, may be either in addition to or in substitution for any other remuneration to which he may be entitled.”

Equal power to Director

Article 125 provides that "Except as otherwise provided in these Articles all the Directors of the Company shall have in all matters equal rights and privileges and be subject to equal obligations and duties in respect of the affairs of the Company."

One-third of Directors to retire every year

Article 126 provides that "At the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the Managing Director or Whole time Director(s), appointed or the Directors appointed as a Debenture Director and Special Director under Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article."

Retiring Directors eligible for re-election

Article 127 provides that "A retiring Director shall be eligible for re-election and the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing a person thereto."

Meetings of the Board

Article 138 provides that

"a) The Board of Directors shall meet at least once in every three months for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with section 288 of the Act, provided that at least four such meetings shall be held in every year.

b) The Chairman may, at any time summon a meeting of the Board and the Manager or such other officer of the Company as may be authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director."

Quorum

Article 139 provides that "Subject to the provisions of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (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 is equal to or exceeds two-thirds of total strength, the number of remaining Directors, that is 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. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting there from the number of Directors, if any, whose places are vacant at the time."

Questions how decided

Article 140 provides that

"a) Save as otherwise expressly provided in the Act, a meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.

b) In case of an equality of votes, the Chairman shall have a second or a casting vote in addition to his vote as a Director."

Resolution by Circulation

Article 148 provides that "Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the committee then in India, not being less in number than the quorum fixed of the meeting of the Board or the Committee, as the case may be and to all other Directors or members at their usual address in India and approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote at the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or committee duly convened and held."

Borrowing Powers

Article 149 provides that

"a) The Board of Directors may from time to time but with such consent of the Company in General Meeting as may be required under the Act raise any moneys or sums of money for the purpose of the Company provided that the moneys to be borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company at a General Meeting, exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specified purpose and in particular, but subject to the provisions of Section 292 and 293 of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, by the issue of debentures, perpetual or otherwise, including debentures convertible into shares of this or any other Company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities.

   Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated shall specify the total amount up to which moneys may be borrowed by the Board Directors.

b) The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or the Managing Director, if any, within the limits prescribed.

c) Subject to provisions of the above sub-clause, the Directors may, from time to time, at their discretion, raise or borrow or secure the repayment of any sum or sums of money for the purposes of the Company, at such time and in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, perpetual or redeemable debentures (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, goods or other property and securities of the Company, or by such other means as they may seem expedient.

d) To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interests of the Company."

Assignment of debentures

Article 150 provides that "Such debentures, debenture-stock, bonds or other securities may be assignable free from any equities between the Company and the person to whom the same may be issued."

Term of Issue of Debentures

Article 151 provides that "Any debentures, debenture stock, or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with a right of conversion into or allotment of shares shall be issued only with the consent of the Company in a General Meeting by a Special Resolution."

Debenture Directors

Article 152 provides that "Any Trust Deed for securing debentures or debenture stock may if so arranged provide for the appointment from time to time by the trustee thereof or by the holders of debentures or debenture stock of some person to be a Director of the Company and may empower such trustee or holders of debentures or debenture stock from time to time to remove any Directors so appointed. A Director appointed under this Article is herein referred to as a "Debenture Director" and the Debenture Director means a Director for the time being in office under this Article. A Debenture Director shall not be bound to hold any qualification shares, not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provision shall have effect notwithstanding any of the other provisions herein contained."

Nominee Directors

Article 153 provides that

"a) So long as any moneys remain owing by the Company to any All India Financial Institutions, State Financial Corporation or any financial institution owned or controlled by the Central Government or State Government or any Non Banking Financial Company controlled by the Reserve Bank of India or any such Company from whom the Company has borrowed for the purpose of carrying on its objects or each of the above has granted any loans / or subscribes to the Debentures of the Company or so long as any of the aforementioned companies of financial institutions holds or continues to hold debentures /shares in the Company as a result of underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished on behalf of the Company remains outstanding, and if the loan or other agreement with such corporation so provides, the corporation shall have a right to appoint from time to time any person or persons as a Director or Directors whole- time or non whole- time (which Director or Director/s is/are hereinafter referred to as "Nominee Directors/s) on the Board of the Company and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s).

b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

   The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as they holds or continues to hold Debentures/shares in the Company as result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall vacate such office immediately on the monies owing by the Company to the Corporation are paid off or they ceasing to hold Debentures/Shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished.

c) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which Nominee Director/s is/are member/s as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.

d) The Company shall pay the Nominee Director/s' sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission, monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the nominee appointer and same shall accordingly be paid by the

Company directly to the Corporation.

e) Provided that the sitting fees, in relation to such Nominee Director/s shall also accrue to the appointer and same shall accordingly be paid by the Company directly to the appointer."

Register of Charges

Article 154 provides that "The Directors shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified. Any creditor or member of the Company and any other person shall have the right to inspect copies of instruments creating charges and the Company's Register of charges in accordance with and subject to the provisions of Section 144 of the Act."

Subsequent assigns of uncalled capital

Article 156 provides that "Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charges and shall not be entitled to obtain priority over such prior charge."

Charge in favour of Director for Indemnity

Article 157 provides that "If the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability."

Powers to be exercised by Board only by Meeting

Article 158 provides that

"a) The Board of Directors shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolution passed at the meeting of the Board:

(i) Power to make calls on shareholders in respect of moneys unpaid on their shares;

(ii) Power to issue debentures;

(iii) Power to borrow money otherwise than on debentures:

(iv) Power to invest the funds of the Company;

(v) Power to make loans.

b) The Board of Directors may by a meeting delegate to any committee or the Directors or to the Managing Director the powers specified in sub clauses (iii), (iv) and (v) above.

c) Every resolution delegating the power set out in sub clause (iii) above shall specify the total amount up to which moneys may be borrowed by the said delegate.

d) Every resolution delegating the power referred to in sub-clause (iv) above shall specify the total amount up to which the fund may be invested and the nature of the investments which may be made by the delegate.

e) Every resolution delegating the power referred to in sub-clause (v) above shall specify the total amount up to which the loans may be made by the delegate, the purposes for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases."

Managing Director(S) And/ Or Whole-Time Director(S)

Article 161 provides that

“a) The Board may from time to time and with such sanction of the Central Government as may be required by the Act, appoint one or more of the Directors to the office of the Managing Director and/ or whole-time Directors for such term not exceeding five years and subject to such remuneration, terms and conditions as they may think fit.

b) The Directors may from time to time resolve that there shall be either one or more Managing Directors and/ or Whole time Directors.

c) In the event of any vacancy arising in the office of a Managing Director and/or Whole-time Director, the vacancy shall be filled by the Board of Directors subject to the approval of the members.

d) If a Managing Director and/or whole time Director ceases to hold office as Director, he shall ipso facto and immediately cease to be Managing Director/whole time Director.

e) The Managing Director and/or whole time Director shall not be liable to retirement by rotation as long as he holds office as Managing Director or whole-time Director.”

Powers and duties of Managing Director or whole-time Director

Article 162 provides that

“The Managing Director/Whole-time Director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these presents by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The Managing Directors/ whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board’s direction.”

Remuneration of Managing Directors/whole time Directors

Article 163 provides that “Subject to the provisions of the Act and subject to such sanction of Central Government\Financial Institutions as may be required for the purpose, the Managing Directors\whole-time Directors shall receive such remuneration (whether by way of salary, perquisites, commission or participation in profits or partly in one way and partly in another) as the Company in General Meeting may from time to time determine.”

The seal its custody and use

Article 166 provides that “The Board shall provide for the safe custody of the Common Seal for the Company and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof; and the Common Seal shall be kept at the Registered Office of the Company and committed to the custody of the Managing Director or the Secretary if there is one.”

Article 167 provides that “The seal shall not be affixed to any instrument except by authority of a resolution of the Board or a committee of the Board authorised by it in that behalf, and except in the presence of at least two Directors. Every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, be signed by the two Directors aforesaid in whose presence the seal shall have been affixed provided nevertheless that any instrument bearing the seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority issuing the same.

Provided 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 proceeding 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."

Article 168 provides that "The Company may exercise the powers conferred by Section 50 of the Act and such powers shall accordingly be vested in the Directors or any other person duly authorized for the purpose."

Right to dividend

Article 169 provides that

"a) The profits of the Company, subject to any special rights, relating thereto created or authorized to be created by these presents and subject to the provisions of the presents as to the Reserve Fund, shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively on the last day of the year of account in respect of which such dividend is declared and in the case of interim dividends on the close of the last day of the period in respect of which such interim dividend is paid.

b) Where capital is paid in advance of calls, such capital, whilst carrying interest, shall not confer a right to participate in the profits."

Declaration of Dividends

Article 170 provides that

"The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board."

Capitalisation of Profits

Article 181 provides that

"a) The Company in General Meeting, may, on recommendation of the Board resolve:

  (i) That it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and

  (ii) That such sum be accordingly set free for distribution in the manner specified in the sub-clause (b) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.

b) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:

  (i) Paying up any amounts for the time being unpaid on shares held by such members respectively

  (ii) Paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or

  (iii) Partly in the way specified in sub-clause (i) and partly that specified in sub clause (ii).

c) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

d) A share premium account may be applied as per Section 78 of the Act and a capital redemption reserve account may only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares."

Power of Directors for declaration of bonus issue

Article 182 provides that

a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

   (i) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and

   (ii) generally do all acts and things required to give effect thereto.

b) The Board shall have full power:

   (i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and also

   (ii) to authorize any person, on behalf of all the members entitled thereto, to enter into an agreement with the Company providing for the allotment to such members, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.

c) Any agreement made under such authority shall be effective and binding on all such members."

Winding Up

Application of assets

Article 208 provides that

"Subject to the provisions of the Act as to preferential payment the assets of the Company shall, on its winding up, be applied in satisfaction of its liabilities pari passu and, subject to such application shall be distributed among the members according to their rights and interests in the Company."

Division of assets of the company in specie among members

Article 209 provides that

(a) "If the Company shall be wound up whether voluntarily or otherwise, the liquidators may with sanction of a special resolution divide among the contributories in specie or kind any part of the assets of the Company and any with like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories of any of them, as the liquidators with the like sanction shall think fit.

(b) If thought expedient, any such division may, subject to the provisions of the Act, be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given (subject to the provisions of the Act) 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 or any contributory who would be prejudiced thereby shall have the right, if any to dissent and ancillary rights as if such determination were a special resolution passed pursuant to Section 494 of the Act.

(c) In case any share to be divided as aforesaid involve as liability to calls or otherwise any persons 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 them the net proceeds, and the liquidators shall, if practicable, act accordingly."

Director's and others' right to indemnity

Article 211 provides that

"a) Subject to the provisions of the Act, the Managing Director and every Director, Manager, Secretary and other Officer or Employee of the Company shall be indemnified by the Company against any liability and it shall be the duty of Directors, out of the funds of the Company to pay, all costs and losses and expenses (including traveling expenses) which any such Director, Officer or Employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Managing Director, Director, Officer or Employee or in any way in the discharge of his duties.

b) Subject as aforesaid the Managing Director and every Director, Manager, Secretary or other Officer or Employee of the Company shall be indemnified against any liability incurred by them or in defending any proceeding whether civil or criminal in which judgment is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is given to him by the Court."

Not responsible for acts of others

Article 212 provides that

"a) Subject to the provisions of Section 201 of the Act no Director or other Officer of the Company shall be liable for the acts, receipt, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Director 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 tortuous act of any person, Company or Corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or over sight in his part or for any other loss or 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 willful act or default.

b) Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with Registrar of Companies in respect of any act done or required to be done by any Director or other Officer by reason of his holding the said office, shall be paid and borne by the Company."

Secrecy

Article 213 provides that "No member shall be entitled to inspect the Company's works without the permission of the Managing Director or to require discovery of any information respectively any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the Managing Director it will be inexpedient in the interest of the members of the Company to communicate to the public."

Duties of Officers to observe secrecy

Article 214 provides that "Every Director, Managing Directors, Manager, Secretary, Auditor, Trustee, Members of Committee, Officer, Servant, Agent, Accountant or other persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provision of these Articles or law."

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of the Red Herring Prospectus) which are or may be deemed material have been attached to the copy of the Red Herring Prospectus delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from Bid/Offer Opening Date until the Bid/Offer Closing Date.

A. Material Contracts for the Offer

1. Engagement Letter dated September 30, 2011 between our Company, the Selling Shareholders and the BRLMs.

2. Offer Agreement dated September 30, 2011 between our Company, the Selling Shareholders and the BRLMs.

3. Agreement dated September 29, 2011 between our Company, the Selling Shareholders and the Registrar to the Offer.

4. Escrow Agreement dated December 4, 2012 between our Company, the Selling Shareholders, the BRLMs, Escrow Collection Bank and the Registrar to the Offer.

5. Syndicate Agreement dated December 5, 2012 between our Company, the Selling Shareholders, BRLMs and the Syndicate Members.

6. Underwriting Agreement dated December 13, 2012 between our Company, the Selling Shareholders, the BRLMs and the Syndicate Members.

B. Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company as amended from time to time.

2. Certificate of incorporation dated April 21, 1993.

3. Certificate of commencement of business dated May 27, 1993.

4. Resolutions of the Board of Directors dated August 17, 2011 in relation to this Offer and other related matters.

5. Resolution of the shareholders of our Company dated September 29, 2009 appointing D.R. Dogra as the Managing Director of our Company with effect from August 22, 2009.

6. Resolution of the shareholders of our Company dated September 29, 2009 appointing Rajesh Mokashi as a whole-time Director of our Company with effect from August 22, 2009.

7. Resolution dated June 17, 2011 passed by the board of directors of IDBI Bank approving the offer for sale.

8. Resolution dated June 28, 2011 passed by the duly authorised Management Committee of Canara Bank approving the offer for sale.

9. Resolution dated September 20, 2011 passed by the duly authorised Executive Committee of SBI approving the offer for sale.

10. Resolution dated September 28, 2011 passed by a duly authorised committee of directors of IL&FS approving the offer for sale.

11. Resolution dated September 3, 2011 passed by the board of directors of Federal Bank approving the offer for sale.

12. Resolution dated August 18, 2011 passed by the board of directors of IL&FS Trust approving the offer for sale (for Equity Shares held on behalf of Milestone Fund).

13. Resolution dated August 17, 2011 passed by the board of directors of Milestone Trusteeship approving the offer for sale (for Equity Shares held on behalf of Milestone Army Trust).

14. Resolution dated September 21, 2011 passed by the duly authorised Investment Committee of ING Vysya approving the offer for sale.

15. Resolution dated September 5, 2011 passed by the board of directors of Tata Investment approving the offer for sale.

16. Consent from IDBI Bank dated September 28, 2011 in relation to the Offer.

17. Consent from Canara Bank dated September 29, 2011 in relation to the Offer.

18. Consent from SBI dated September 22, 2011 in relation to the Offer.

19. Consent from IL&FS dated September 28, 2011 in relation to the Offer.

20. Consent from Federal Bank dated September 14, 2011 in relation to the Offer.

21. Consent from IL&FS Trust (for Equity Shares held on behalf of Milestone Fund) dated September 27, 2011 in relation to the Offer.

22. Consent from Milestone Trusteeship (for Equity Shares held on behalf of Milestone Army Trust) dated September 27, 2011 in relation to the Offer.

23. Consent from ING Vysya dated September 24, 2011 in relation to the Offer.

24. Consent from Tata Investment dated September 22, 2011 in relation to the Offer.

25. Copies of the annual reports of our Company for the last five financial years.

26. The audit reports of the statutory Auditor dated October 21, 2012, on our Company's restated financial information, included in this Prospectus.

27. The Statement of Tax Benefits dated October 21, 2012 from the statutory Auditor.

28. Consent of the Directors, the BRLMs, the Syndicate Members, Domestic Legal Counsel to our Company, Domestic Legal Counsel to the Underwriters, International Legal Counsel to the Underwriters, Registrars to the Offer, Escrow Collection Banks, Bankers to our Company, Company Secretary and Compliance Officer as referred to in their specific capacities.

29. Share sale and purchase and shareholders' agreement dated November 22, 2011 between our Company, Shree Nidhi Secure Print Private Limited, Srinivasan Nadadur, Kalypto, P.D. Baburaj, Shirish Atre, Yatin Nachane, D.Banuprakash, S.Rajesh and Ashish Kulkarni.

30. Due Diligence Certificate dated September 30, 2011 addressed to SEBI from the BRLMs.

31. In principle listing approvals dated October 21, 2011 and November 11, 2011 issued by the BSE and the NSE, respectively.

32. SEBI letter dated June 22, 2012 addressed to our Company noting the fact that Equity Shares of our Company will be transferred by the Selling Shareholders to eligible Non-Residents in the Offer.

33. SEBI letter dated July 23, 2012 approving the transfer of up to 58,605 Equity Shares held by IL&FS Trust (on behalf of Milestone Fund) to eligible Non-Residents pursuant to the Offer.

34. RBI letter dated October 18, 2012 approving the transfer of up to 6,184,200 Equity Shares by IDBI Bank, Canara Bank, Federal Bank, ING Vysya and SBI, as Selling Shareholders, to eligible Non-Residents in the Offer.

35. RBI letters dated September 26, 2012, December 6, 2012 and December 10, 2012 with respect to participation by eligible Non-Residents investors in the Offer and letters dated August 31, 2012, October 5, 2012, December 7, 2012 and December 10, 2012 filed by our Company with RBI in relation to the same.

36. Tripartite Agreement dated December 1, 2011 between our Company, NSDL and the Registrar to the Offer.

37. Tripartite Agreement dated April 17, 2012 between our Company, CDSL and the Registrar to the Offer.

38. SEBI observation letter no. CFD/DIL/HB/MS/21343/2012 dated September 24, 2012.

39. Economic Survey 2011-2012, Ministry of Finance, Government of India.

40. Economic Survey 2010-2011, Ministry of Finance, Government of India.

41. Annual report of the Ministry of Micro, Small and Medium Enterprises for the year 2011-12.

42. Annual report of the Ministry of Micro, Small and Medium Enterprises for the year 2010-11.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

The undersigned Selling Shareholder, hereby certifies that all statements made in this Prospectus are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by our Company or any other Selling Shareholder in this Prospectus, except statements made by the undersigned Selling Shareholder in relation to itself as a Selling Shareholder and the Equity Shares offered and sold in the Offer.

Signed by the Selling Shareholder

For **IDBI Bank Limited**

DECLARATION

The undersigned Selling Shareholder, hereby certifies that all statements made in this Prospectus are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by our Company or any other Selling Shareholder in this Prospectus, except statements made by the undersigned Selling Shareholder in relation to itself as a Selling Shareholder and the Equity Shares offered and sold in the Offer.

Signed by the Selling Shareholder

For **Canara Bank**

DECLARATION

The undersigned Selling Shareholder, hereby certifies that all statements made in this Prospectus are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by our Company or any other Selling Shareholder in this Prospectus, except statements made by the undersigned Selling Shareholder in relation to itself as a Selling Shareholder and the Equity Shares offered and sold in the Offer.

Signed by the Selling Shareholder

For **State Bank of India**

DECLARATION

The undersigned Selling Shareholder, hereby certifies that all statements made in this Prospectus are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by our Company or any other Selling Shareholder in this Prospectus, except statements made by the undersigned Selling Shareholder in relation to itself as a Selling Shareholder and the Equity Shares offered and sold in the Offer.

Signed by the Selling Shareholder

For **IL&FS Financial Services Limited**

DECLARATION

The undersigned Selling Shareholder, hereby certifies that all statements made in this Prospectus are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by our Company or any other Selling Shareholder in this Prospectus, except statements made by the undersigned Selling Shareholder in relation to itself as a Selling Shareholder and the Equity Shares offered and sold in the Offer.

Signed by the Selling Shareholder

For **The Federal Bank Limited**

DECLARATION

The undersigned Selling Shareholder, hereby certifies that all statements made in this Prospectus are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by our Company or any other Selling Shareholder in this Prospectus, except statements made by the undersigned Selling Shareholder in relation to itself as a Selling Shareholder and the Equity Shares offered and sold in the Offer.

Signed by the Selling Shareholder

For **IL&FS Trust Company Limited**
(For and on behalf of Milestone Private Equity Fund)

DECLARATION

The undersigned Selling Shareholder, hereby certifies that all statements made in this Prospectus are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by our Company or any other Selling Shareholder in this Prospectus, except statements made by the undersigned Selling Shareholder in relation to itself as a Selling Shareholder and the Equity Shares offered and sold in the Offer.

Signed by the Selling Shareholder

For **Milestone Trusteeship Services Private Limited**
(For and on behalf of Milestone Army Trust)

DECLARATION

The undersigned Selling Shareholder, hereby certifies that all statements made in this Prospectus are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by our Company or any other Selling Shareholder in this Prospectus, except statements made by the undersigned Selling Shareholder in relation to itself as a Selling Shareholder and the Equity Shares offered and sold in the Offer.

Signed by the Selling Shareholder

For **ING Vysya Bank Limited**

DECLARATION

The undersigned Selling Shareholder, hereby certifies that all statements made in this Prospectus are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by our Company or any other Selling Shareholder in this Prospectus, except statements made by the undersigned Selling Shareholder in relation to itself as a Selling Shareholder and the Equity Shares offered and sold in the Offer.

Signed by the Selling Shareholder

For **Tata Investment Corporation Limited**

DECLARATION

All relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SEBI Act or rules or regulations made thereunder or guidelines issued, as the case may be. We further certify that all the statements in this Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

________________________	**O.V. Bundellu** (Chairman and independent, non-executive Director)
________________________	**D.R. Dogra** (Managing Director and Chief Executive Officer)
________________________	**Rajesh Mokashi** (Deputy Managing Director (non independent, executive))
________________________	**Dr. Nitish Kumar Sengupta** (Independent, non-executive Director)
________________________	**Venkatraman Srinivasan** (Independent, non-executive Director)
________________________	**Bharti Prasad** (Independent, non-executive Director)
________________________	**Navin K. Jain** (Company secretary and head-finance)

Date: December 13, 2012
Place: Mumbai