



MONEY MASTERS LEASING & FINANCE LIMITED

Incorporated as 'Money Masters Leasing & Finance Private Limited' at Mumbai on October 26, 1994 under the Companies Act, 1956 with the Registrar of Companies, Maharashtra. On February 09, 1996 the name of the Company was changed to 'Money Masters Leasing & Finance Limited'. For details of the changes in our name and Registered Office, please refer to the section titled "General Information" on page 8 of this Draft Prospectus.

Registered Office: 4, Akash Deep, Ground Floor, TPS VI, Road No. 1, Milan Subway, Santacruz (West), Mumbai-400054

Telefax: 022- 26103848, 26180202

Contact Person: Ms. Minakshi Muchhal, Company Secretary and Compliance Officer

Email: ipo.moneymasters@gmail.com; **Website:** http://moneymasters.in/

| PROMOTERS OF THE COMPANY | |
|---|---|
| MR. HOZEF ABDULHUSSAIN DARUKHANAWALA AND MRS. DURRIYA HOZEFA DARUKHANAWALA | |
| PUBLIC ISSUE OF 13,36,000 EQUITY SHARES OF FACE VALUE OF RS. 10 EACH FOR CASH AT A PRICE OF RS. 15 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. 05 PER EQUITY SHARE) AGGREGATING TO RS. 200.40 LACS (THE "ISSUE") BY OUR COMPANY, OF WHICH 80,000 EQUITY SHARES OF RS. 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKERS TO THE ISSUE ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.e. ISSUE OF 12,56,000 EQUITY SHARES OF RS. 10 EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 29.73% AND 27.95%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY. | |
| THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH. THE ISSUE PRICE IS RS. 15 PER EQUITY SHARE AND IS 1.5 TIMES THE FACE VALUE OF THE EQUITY SHARES | |
| THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 (as amended from time to time) <i>For further details see "Issue Related Information" beginning on page 125 of this Draft Prospectus.</i> | |
| <p>All potential investors may participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page 132 of this Draft Prospectus.</p> <p>In case of delay, of any in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.</p> | |
| RISKS IN RELATION TO THE FIRST ISSUE | |
| <p>This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the Equity Shares is Rs. 10 per Equity Share. The issue price is 1.5 times of the face value. The Issue price (has been determined and justified by the Lead Manager and the issuer as stated under the paragraph on "Basis for Issue Price") should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of the issuer nor regarding the price at which the equity shares will be traded after listing.</p> | |
| GENERAL RISK | |
| <p>Investment 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 investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given on page number(s) x to xxi under the section 'General Risks'.</p> | |
| ISSUER'S ABSOLUTE RESPONSIBILITY | |
| <p>The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this offer document contains all information with regard to the issuer and the issue which is material in the context of the issue, that the information contained in the offer document 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 document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.</p> | |
| LISTING ARRANGEMENTS | |
| <p>The Equity Shares offered through this Draft Prospectus are proposed to be listed on the SME Platform of the BSE Limited ("BSE"). In terms of the Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time, we are not required to obtain an in-principal listing approval for the shares being offered in this issue. However, our company has received an approval letter dated [●] from BSE for using its name in this offer document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited ("BSE").</p> | |
| LEAD MANAGER TO THE ISSUE | REGISTRAR TO THE ISSUE |
| <p>SOBHAGYA CAPITAL OPTIONS LIMITED SEBI Regn. No.: MB/INM000008571 Regd. Off.: B-206, Okhla Industrial Area, Phase- I, New Delhi- 110020. Tel. No.: +91-11-40777000 Fax No.: +91-11- 40777069 Contact Person: Mr. Heemadri Mukerjee and Ms. Archana Sharma Email id: delhi@sobhagyacap.com Website: www.sobhagyacapital.com</p> | <p>UNIVERSAL CAPITAL SECURITIES PRIVATE LIMITED SEBI Regn. No.: INR000004082 Office: 21, Shakil Niwas, Opp Satya Saibaba Temple, Mahakali Caves Road, Andheri (East) Mumbai-400 093 Tel No.: + 91-22- 28207203-05 Fax No.: +91-22-28207207 Contact Person: Mr. Ravindra Utekar Email id.: info@unisec.in Website: www.unisec.in</p> |
| ISSUE PROGRAMME | |
| ISSUE OPENS ON: [●] | ISSUE CLOSES ON: [●] |

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SECTION I- GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise requires, the terms and abbreviations stated herein shall have the meaning as assigned therewith.

| TERM | DESCRIPTION |
|--|---|
| "We", "us", "our", "the Company" or "our Company" or "MMLFL" or "Money Masters" or "Money Masters Leasing & Finance Limited" or "the Issuer" | Money Masters Leasing & Finance Limited, a Public Limited Company incorporated under the Companies Act having its registered office at 4, Akash Deep, Ground Floor, TPS VI, Road No. 1, Milan Subway, Santacruz (West), Mumbai-400054 |

CONVENTIONAL AND GENERAL TERMS/ ABBREVIATIONS

| TERM | DESCRIPTION |
|----------------------------|---|
| A/c | Account |
| ACS | Associate Company Secretary |
| AGM | Annual General Meeting |
| Act or Companies Act | Companies Act, 1956 as amended from time to time |
| AS | Accounting Standards issued by the Institute of Chartered Accountants of India |
| AY | Assessment Year |
| Bppa | Basis points per annum |
| BSE/ BSE SME | BSE Limited and includes the SME Platform of BSE |
| CAGR | Compounded Annual Growth Rate |
| CRAR | Capital to Risk Assets Ratio |
| CDSL | Central Depository Services (India) Limited |
| CIN | Corporate Identity Number |
| CFO | Chief Financial Officer |
| Depositories | NSDL and CDSL |
| CIT | Commissioner of Income Tax |
| Depositories Act | Depositories Act, 1996 as amended from time to time |
| DER | Debt Equity Ratio |
| DIN | Director Identification Number |
| DP ID | Depository Participant's identification |
| DP/ Depository Participant | A depository participant as defined under the Depositories Act, 1996 |
| EBITDA | Earnings Before Interest, Tax, Depreciation and Amortisation |
| ECS | Electronic Clearing Service |
| EGM | Extraordinary General Meeting |
| EPS | Unless otherwise specified, Earnings Per Share, i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares during that fiscal year. |
| EXIM/ EXIM Policy | Export – Import Policy |
| FCNR Account | Foreign Currency Non Resident Account |
| F&NG | Father and Natural Guardian |
| FDI | Foreign Direct Investment |
| FEMA | Foreign Exchange Management Act, 1999 read with rules and regulations thereunder as amended from time to time |
| FEMA Regulations | FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 as amended from time to time |

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|--------------------------------|--|
| FII(s) | Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investor) Regulations, 1995 registered with SEBI under applicable laws in India |
| Financial Year/ Fiscal/ FY | Period of twelve months ended March 31 of that particular year |
| FIPB | Foreign Investment Promotion Board |
| FVCI | Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time. |
| GDP | Gross Domestic Product |
| GoI / Government | Government of India |
| HNI | High Net worth Individual |
| HUF | Hindu Undivided Family |
| ICSI | Institute of Company Secretaries Of India |
| IFRS | International Financial Reporting Standard |
| Income Tax Act | The Income Tax Act, 1961, as amended from time to time |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| IPO | Initial Public Offering |
| IT | Information Technology |
| ITES | Information Technology Enabled Services |
| JV | Joint Venture |
| Mn / mn | Million |
| Merchant Banker | Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 |
| MoF | Ministry of Finance, Government of India |
| MoU | Memorandum of Understanding |
| N.A. | Not Applicable |
| NAV | Net Asset Value |
| NEFT | National Electronic Fund Transfer |
| NOC | No Objection Certificate |
| NPV | Net Asset Value |
| NR | Non Resident |
| NRE Account | Non Resident External Account |
| NRI | Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time |
| NRO Account | Non Resident Ordinary Account |
| NSDL | National Securities Depository Limited |
| Non Institutional Investor/NII | An investor other than a retail individual investor and qualified institutional buyer |
| OCB | A company, partnership, society or other corporate body owned directly or indirectly to the extent of up to 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 was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in this Issue |
| p.a. | per annum |
| P/E Ratio | Price/Earnings Ratio |
| PAC | Persons Acting in Concert |

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|------------------|---|
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| PBT | Profit Before Tax |
| PIO | Persons of Indian Origin |
| PLR | Prime Lending Rate |
| QIC | Quarterly Income Certificate |
| RBI | The Reserve Bank of India |
| RoC | Registrar of Companies, Maharashtra, Mumbai, located at 100, Everest, Marine Drive, Mumbai- 400002. |
| RoE | Return on Equity |
| RoNW | Return on Net Worth |
| RoW | Rest of the World |
| Rs./INR | Indian Rupees |
| RTGS | Real Time Gross Settlement |
| SCRA | Securities Contracts (Regulation) Act, 1956, as amended from time to time |
| SCRR | Securities Contracts (Regulation) Rules, 1957, as amended from time to time |
| Sec. | Section |
| STT | Securities Transaction Tax |
| SEBI | The Securities and Exchange Board of India constituted under the SEBI Act, 1992 |
| SEBI Act | Securities and Exchange Board of India Act 1992, as amended from time to time |
| Stamp Act | The Indian Stamp Act, 1899 |
| State Government | The Government of a State of India |
| Stock Exchange | Unless the context requires otherwise, refers to, the BSE Limited and includes the SME Platform of BSE. |
| UIN | Unique Identification Number |
| US / USA | United States of America |
| USD/ US\$/ \$ | United States Dollar, the official currency of the United States of America |
| VCFs | Venture Capital Funds as defined and registered with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996, as amended from time to time |

ISSUE RELATED TERMS

| Terms | Description |
|---|--|
| Applicant | Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus. |
| Application Form | The Form in terms of which the applicant shall apply for the Equity Shares of the Company |
| Allotment | Issue of the Equity Shares pursuant to the Issue to the successful applicants |
| Allottee | The successful applicant to whom the Equity Shares are being / have been issued. |
| Application Supported by Blocked Amount/ ASBA | Applications Supported by Blocked Amount (ASBA) means an application for subscribing to the Issue containing an authorisation to block the application money in a bank account maintained with SCSB. |
| ASBA Account | Account maintained by an ASBA Applicants with an SCSB which will be blocked to the extent of the Application Amount. |
| ASBA Applicant | Prospective investors in this Issue who apply through the ASBA process. |
| ASBA Public Issue Account | A bank account of the Company, under Section 73 of the Companies Act where the funds shall be transferred by the SCSBs from the bank accounts of the ASBA Applicants. |

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| Bankers to the Company | Bombay Mercantile Co-operative Bank Limited, Santacruz Branch, Mumbai |
| Bankers to the Issue | [●] |
| Basis of Allotment | The basis on which Equity Shares will be Allotted to Applicants under the Issue and which is described in "Issue Procedure" on page 132 of the Draft Prospectus. |
| Business Day | Any day on which commercial banks in Mumbai are open for business |
| Controlling Branches | Such branches of the SCSB which coordinates with the Lead Managers, the Registrar to the Issue and the Stock Exchange |
| Depository | A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 |
| Depository Participant | A Depository Participant as defined under the Depositories Act, 1996 |
| Designated Branches | Such branches of the SCSBs which shall collect the ASBA Forms from the ASBA Applicants and a list of which is available on www.sebi.gov.in , or at such other website as may be prescribed by SEBI from time to time. |
| Designated Stock Exchange | The BSE Limited |
| DP ID | Depository Participant's Identity |
| Draft Prospectus | The Draft Prospectus issued in accordance with Section 60B of the Companies Act and SEBI (ICDR) Regulations, 2009, filed with BSE. |
| Eligible NRI | NRIs from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Draft Prospectus constitutes an invitation to subscribe to the Equity Shares. |
| Equity Shares | Equity shares of the Company of Rs. 10 each unless otherwise specified. |
| Escrow Account | Account opened/to be opened with the Banker to the Issue and in whose favour the Applicant (excluding the ASBA Applicant) will issue cheques or drafts in respect of the Application Amount when submitting an Application. |
| Escrow Agreement/ Banker to the Issue Agreement | Agreement entered / to be entered into amongst the Company, Lead Manager, the Registrar, the Banker to the Issue for collection of the Application Amounts and for remitting refunds (if any) of the amounts collected to the Applicants (excluding the ASBA Applicants) on the terms and condition thereof |
| Escrow Collection Bank(s)/ Collection Banks | The banks which are clearing members and registered with SEBI as Bankers to the Issue at which bank(s) the Escrow Account of the Company will be opened |
| Issue / Issue Size / Initial Public Issue | The Public Issue of 13,36,000 Equity Shares of Rs. 10/- each at Rs. 15/- (including share premium of Rs. 5/-) per Equity Share aggregating to 2,00,40,000/- (Rupees Two Crore and Forty Thousand Only) by Money Masters Leasing & Finance Limited. |
| Issue Agreement | The agreement entered into on May 27, 2013 between our Company and the Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Issue. |
| Issue Period | The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective applicants can submit their applications. |
| Issue Price | The price at which the Equity Shares are being issued by our Company under this Draft Prospectus being Rs. 15/-. |
| LM / Lead Manager | Lead Manager to the Issue, in this case being Sobhagya Capital Options Limited. |
| Listing Agreement | Unless the context specifies otherwise, this means the SME Listing Agreement to be signed between our company and BSE for listing its shares on the SME Platform of BSE. |

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| Market Maker Reservation Portion | The Reserved portion of 80,000 Equity shares of 10/- each at Rs. 15/- (including share premium of Rs. 05/-) per Equity Share aggregating to Rs. 12,00,000/- (Rupees Twelve Lacs Only) for Designated Market Maker in the Initial Public Issue of Money Masters Leasing & Finance Limited. |
| Net Issue | The Issue (excluding the Market Maker Reservation Portion) of 12,56,000 Equity Shares of Rs. 10/- each at Rs. 15/- (including share premium of Rs. 05/-) per Equity Share aggregating to Rs. 188,40,000/- (Rupees One Crore Eighty Eight Lacs and Forty Thousand Only) by Money Masters Leasing & Finance Limited. |
| Net Proceeds | The Issue Proceeds less the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses see the section titled "Objects of the Issue" on page 28 of this Draft Prospectus. |
| Non-Resident | A person resident outside India, as defined under FEMA and includes a Non Resident Indian. |
| Prospectus | The Prospectus, filed with the RoC containing, inter alia, the Issue opening and closing dates and other information. |
| Public Issue Account | Account opened with the Bankers to the Issue to receive monies from the Escrow Account on the Designated Date. |
| Qualified Institutional Buyers / QIBs | (i) a mutual fund, venture capital fund and foreign venture capital investor registered with the Board; (ii) a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the Board; (iii) a public financial institution as defined in section 4A of the Companies Act, 1956; (iv) a scheduled commercial bank; (v) a multilateral and bilateral development financial institution; (vi) a state industrial development corporation; (vii) an insurance company registered with the Insurance Regulatory and Development Authority; (viii) a provident fund with minimum corpus of twenty five crore rupees; (ix) a pension fund with minimum corpus of twenty five crore rupees; (x) 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; (xi) insurance funds set up and managed by army, navy or air force of the Union of India; (xii) insurance funds set up and managed by the Department of Posts, India; |
| Refund Account | Account opened / to be opened with a SEBI Registered Banker to the Issue from which the refunds of the whole or part of the Application Amount (excluding to the ASBA Applicants), if any, shall be made |
| Refund Bank | [•] |
| Refunds through electronic transfer of funds | Refunds through electronic transfer of funds means refunds through ECS, Direct Credit, RTGS or NEFT or the ASBA process, as applicable |
| Registrar/ Registrar to the Issue | Registrar to the Issue, being Universal Capital Securities Private Limited |
| Retail Individual Investors | Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs. 2,00,000. |

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| SCSB | A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries |
| SEBI (ICDR) Regulations, 2009/ Regulations/SEBI Regulations | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time. |
| SME Platform of BSE | The SME Platform of BSE which was approved by SEBI as an SME Exchange on September 27, 2011 for listing of equity shares offered under Chapter XB of the SEBI (ICDR) Regulations, 2009. |

ISSUER RELATED TERMS

| Term | Description |
|---|---|
| Articles or Articles of Association | Articles of Association of the Company |
| Board/ Board of Directors | Board of Directors of the Company or a committee constituted thereof. |
| Director(s) | Directors on the Board of the Company, as may be appointed from time to time, unless otherwise specified. |
| Independent Peer Review Auditors | B. Rattan & Associates, having their office at 203, Plot No. 7, 2nd Floor, Aggarwal Plaza LSC-1, Mixed Housing Complex, Mayur Vihar Phase-3 Delhi-110096. |
| Key Management Personnel | The officers vested with executive powers and the officers at the level immediately below the Board of Directors as described in the section titled "Our Management" on page 63 of this Draft Prospectus. |
| Memorandum or Memorandum of Association | The Memorandum of Association of the Company |
| Promoters | The Promoters of the Company namely, Mr. Hozef Abdulhussain Darukhanawala and Mrs. Durriya Hozefa Darukhanawala. |
| Promoter Group | Unless the context otherwise specifies, refers to those entities mentioned in the section titled "Our Promoters and Promoter Group" on page 73 of this Draft Prospectus |
| Registered Office | The registered office of the Company, located at 4, Akash Deep, Ground Floor, TPS VI, Road No. 1, Milan Subway, Santacruz (West), Mumbai-400054 |
| Statutory Auditors | The statutory auditors of the Company, namely, M/s. Meena N. Shetty & Co., Chartered Accountants, having their office at 4 Navjivan Grih, Ground Floor, S.V. Road, Santacruz (W), Mumbai – 400054, India |

TECHNICAL/ INDUSTRY RELATED TERMS

| Terms | Description |
|----------|---|
| AFC | Asset Finance Company |
| Deposits | Deposits have the meaning assigned to it under section 45I(bb) of the Reserve Bank of India Act, 1934 |
| EL | Equipment Leasing Company |
| IC | Investment Company |
| KYC | Know Your Customer |
| LAS | Loan against Shares |
| LC | Loan company |

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| NBFC | A Non-Banking Financial Company (NBFC) is a company registered under the Companies Act, 1956 and is engaged in the business of loans and advances, acquisition of shares / stock / bonds / debentures / securities issued by Government or local authority or other securities of like marketable nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, sale / purchase / construction of immovable property. In terms of Section 45-IA of the RBI Act, 1934, it is mandatory that every NBFC should be registered with RBI to commence or carry on any business of non-banking financial institution as defined in clause (1) of Section 45-IA of the RBI Act, 1934. |
| NBFC – ND | Non Banking Financial Company – Non Deposit Taking |
| NBFC – ND – NSI | Non Banking Financial Company – Non Deposit Taking – Non Systemically Important. |
| NOF | Net Owned Fund |
| NPA | Non Performing Assets |
| Public Deposits | Public Deposits have the meaning assigned to it under Clause 2(1)(ia)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 |
| PDs | Primary Dealers |
| PLR | Prime Lending Rate |
| RRB | Regional Rural Bank |
| SCB | Scheduled Commercial Bank |

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

Unless stated otherwise, the financial data in this Draft Prospectus is derived from the restated financial statements of the Company, prepared in accordance with Indian GAAP and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, which are included in this Draft Prospectus.

The fiscal year of the Company commences on April 1 of each year and ends on March 31 of the next year. All references to a particular fiscal year are to the 12 month period ended March 31 of that year.

In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP and IFRS. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company's financial data. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft 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 Draft Prospectus should accordingly be limited.

Any percentage amounts, as set forth in "Risk Factors", "Business Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Basis for Issue Price" on pages x, 48, 105 and 33, respectively in this Draft Prospectus unless otherwise indicated, have been calculated on the basis of the Company's restated financial statements prepared in accordance with Indian GAAP.

All references to "India" contained in this Draft Prospectus are to the Republic of India.

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

Industry and Market Data

Unless otherwise stated, Industry and Market data used throughout this Draft Prospectus has been obtained from publically available industry publications and Government data. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Company believes that industry data used in this Draft Prospectus is generally reliable, it has not been independently verified. Similarly, internal Company reports, while believed by the Company to be reliable, have not been verified by any independent sources.

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

FORWARD-LOOKING STATEMENTS

This Draft Prospectus may contain certain “forward-looking statements”. These forward looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue”, “will likely result”, “contemplate”, “seek to”, “future”, “goal”, “should” or other words or phrases of similar import. Similarly, statements that describe the Company’s objectives, plans or goals are also forward- looking statements.

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

- General economic and business conditions in India and other countries.
- Changes in political conditions in India;
- Regulatory changes relating to the finance and capital market sectors in India and our ability to respond to them.
- Our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks that have an impact on our business activities or investments.
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.
- Changes in tax exemption policies/availability or in other laws and regulations that apply to our industry;
- Our dependence on key personnel;
- Occurrence of natural disasters or calamities affecting our areas of operations;
- A slowdown in economic growth in India;
- Changes in the foreign exchange control regulations in India and Fluctuations in foreign exchange rates.
- Any downgrading of India’s debt rating by an independent agency.

For a further discussion of factors that could cause the Company’s actual results to differ, see the sections titled “Risk Factors”, “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages x, 48 and 105, respectively of this Draft Prospectus.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. The Company, the Lead Managers, or their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the Company and the Lead Managers 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- GENERAL RISKS

RISK FACTORS

RISK FACTORS ENVISAGED BY MANAGEMENT

An investment in Equity shares involves a high degree of risk. You should carefully consider all of the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares of the Company. If any of the following risks actually occur, the business, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and all or part of the investment may be lost. Unless otherwise stated in the relevant risk factors set below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. The following risk factors have been determined on the basis of their materiality in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Internal Risk Factors

1. Prohibition by RBI from accepting and renewing public deposits

The Reserve Bank of India, had in terms of Section 45-MB(1) and 45-MB(2) passed a Prohibitory Order dated December 15, 2011 against Money Masters Leasing and Finance Limited. In terms of the said order, MMLFL has been prohibited from accepting fresh public deposits or renewing existing deposits with effect from the date of the said order. Since the date of the order MMLFL has not accepted any fresh public deposits and renewed any of the existing deposits.

Further, MMLFL had also been prohibited from selling, transferring, creating charge or mortgage or dealing in any manner with its property and assets without prior written permission of the RBI for a period of 6 months from the date of the order. However this particular prohibition was vacated vide RBI Letter No. DNBS.MRO.No. 2992/02.13.057/2011-12 dated January 30, 2012.

2. The proposed objects of the issue for which funds are being raised have not been appraised by any bank or financial institution. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

The objects of the issue for which part of the fund are being raised have not been appraised by any bank or financial institution. In the absence of such independent appraisal, the requirement of funds raised through this issue, as specified in the section titled "Objects of the Issue" are based on the company's estimates and deployment of these funds is at the discretion of the management and the Board of Directors of the company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

Further, since the issue size is less than Rs. 500 Crores, there is no requirement of appointing any Monitoring Agency for the issue pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

3. The Company has experienced negative cash flows in some of the previous 5 years.

The Company has experienced negative cash flows in some of the previous 5 years.

The details of the last 5 years are as under:

(Rs. In Lacs)

| PARTICULARS | 31-Dec-12 | 31-Mar-12 | 31-Mar-11 | 31-Mar-10 | 31-Mar-09 | 31-Mar-08 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| Net increase/ (decrease) in Cash and Cash equivalents | (51.12) | 27.26 | 17.28 | (3.95) | (8.09) | (2.52) |

The above are only the depiction of the net cash flows. The cash balance at the end of each year continues to be positive throughout the period reported above. For details kindly refer to page no. 82 of the Draft Prospectus.

4. We do not own our Registered Office from which we operate.

We do not own the premises, 4, Akash Deep, Ground Floor, TPS VI, Road No. 1, Milan Subway, Santacruz (West), Mumbai-400054, where our Registered Office is situated. The said premises is being used and occupied by the Company on lease in terms of Lease and Licence Agreement dated November 07, 2012, which is valid until June 30, 2016. We cannot assure you that we will own, or have the right to occupy, this premises in the future, or that we will be able to continue with the uninterrupted use of this property. This may impair our operations and adversely affect our financial condition. For further details of our office premises please refer to the section titled "Business Overview" on page 48 of this Draft Prospectus.

Management Perception: The above premises are co-owned by one of the Promoters of the Company who have no intention as of now to get the same vacated.

5. Our Promoters have interests other than reimbursement of expenses incurred or normal remuneration or benefits.

Mrs. Durriya Hozefa Darukhanawala, one of the Promoter Directors of the Company, co-owns the premises where the Registered Office of the Company is situated. The Company is paying a lease rental of Rs. 35,000 per month to the Lessors, in terms of Lease and Licence Agreement dated November 07, 2012, which is valid until June 30, 2016.

6. We do not have any insurance coverage to protect us against all potential losses to which we may be subject.

We do not maintain any insurance coverage for our operations. We have no coverage for any damage or loss that may be suffered by us and are under a potential threat of loss in business and financial losses.

7. Our Company may face asset-liability mismatches in future, which could affect its liquidity and consequently may adversely affect its operations and profitability.

Our Company faces potential liquidity risks because its assets and liabilities mature over different periods. As is typical for NBFCs, our Company meets its funding requirements through funding of different repayment periods. As of March 31, 2012, our Company had long term borrowings of Rs. 481.49 Lakhs. Our Company's inability to manage structural mismatches in its assets and liabilities maturity profile may adversely affect its operations and profitability.

8. Our financial performance is particularly vulnerable to interest rate risk.

Our results of operations are substantially dependent upon the level of our Net Interest Margins (our Company's interest income net-of finance costs). Interest income from our financing activities is the largest component of our total income, and constituted 99.07% and 97.68% of our total income in Financial Year 2012 and for the nine months period ended December 31, 2012, respectively. Interest rates and fluctuations thereof are highly sensitive to many factors which are beyond our Company's control, including the monetary

policies of the RBI, de-regulation of the financial services sector in India, domestic and international economic and political conditions, inflation and other factors.

Consistent increase in our Company's cost of borrowing may adversely affect our Company's ability to pass on such increases to its customers. Further higher interest rates may also affect the quality of our Company's assets including risks of higher defaults and rising NPAs. Alternatively falling interest rates may lead to higher pre-payments and may expose our Company to reinvestment risks.

Further fluctuations in interest rates may affect our Company's ability to manage its assets and liabilities effectively and may expose our Company to liquidity risks and duration risks.

9. The risk of non-payment or default by borrowers may adversely affect our Company's financial condition and results of operations. If our Company is unable to manage the level of defaults in its asset financing portfolio, its financial position and results of operations may suffer.

Any lending activity is exposed to credit risk arising from the risk of default and non-payment by borrowers. Our Company's loan portfolio may grow as a result of its expansion in existing as well as new products across various business segments. This may expose our Company to an increasing risk of defaults as its portfolio expands.

Our Company cannot be certain, and cannot assure you, that it will be able to maintain or improve its collections and recoveries across its business segments. Moreover, as our Company's asset financing portfolio matures, it may experience greater defaults in principal and/or interest payments. Thus, if our Company is not able to control or reduce its level of defaults, the overall quality of its asset financing portfolio may deteriorate and its results of operations may be adversely affected.

Our Company cannot be certain that its risk management systems will continue to be sufficient or that additional risk management policies for individual borrowers will not be required.

10. We have incurred a substantial amount of indebtedness, which may adversely affect our cash flow and our ability to operate our business.

As of December 31, 2012, we had total unsecured borrowings/deposits of Rs 642.68 lacs. Our ability to meet our debt service obligations and to repay our outstanding borrowings will depend primarily upon the cash flows generated by our business. We cannot assure you that we will generate sufficient cash to enable us to service existing or proposed borrowings. Incurring significant indebtedness may limit our flexibility in planning for or reacting to changes in our business & industry and limit our ability to borrow additional funds.

In the event that we fail to meet our debt servicing obligations under our financing documents, the relevant lenders could declare us to be in default, accelerate the maturity of our obligations or takeover our project. We cannot assure investors that in the event of any such acceleration we will have sufficient resources to repay these borrowings. Failure to meet obligations under debt financing agreements may have an adverse effect on our cash flows, business and results of operations.

11. No prior performance indicator

This is an initial public offering of our equity shares and, thus, there is no other performance indicator besides our financial performance. We may not be able to assure similar performance on the stock exchange where we propose to list our equity shares.

12. A decline in our capital adequacy ratio could restrict our future business growth.

Pursuant to the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998, as amended, our Company, with effect from March 31, 2012, is

required to maintain a minimum capital adequacy ratio of 15.00%. As on March 31, 2012, our Company's CRAR stood at 61.48%, well above the mandated RBI norms of 15.00%. If our Company continues to grow its asset financing portfolio, it will be required to raise additional Tier I and Tier II capital in order to continue to meet applicable capital adequacy ratios with respect to its business.

Our Company's CRAR, Tier I capital, Tier II capital and receivables under financing activity as at March 31, 2008, 2009, 2010, 2011 and 2012 and as at December 31, 2012, were as follows:

| S. No. | Statement of Capital Adequacy as per RBI | | | | | | |
|--------|--|-------------------|----------------|-------|-------|-------|-------|
| | Particulars | December 31, 2012 | As at March 31 | | | | |
| | | | 2012 | 2011 | 2010 | 2009 | 2008 |
| i. | CRAR (%) | 51.35 | 61.48 | 43.13 | 39.00 | 34.87 | 38.99 |
| ii. | CRAR-Tier I Capital (%) | 31.29 | 37.49 | 43.13 | 39.00 | 34.87 | 38.99 |
| iii. | CRAR-Tier II Capital (%) | 20.06 | 24.00 | 3.53 | 0.00 | 0.00 | 0.00 |

13.If we fail to maintain effective internal control over financial reporting in the future, the accuracy and timing of our financial reporting may be adversely affected.

We have taken steps intended to enhance our internal controls commensurate to the size of our business, primarily through the formation of a designated internal audit team with additional technical accounting and financial reporting experience. However, certain matters such as fraud and embezzlement cannot be eliminated entirely given the cash nature of our business. While we expect to remedy any such issues, we cannot assure you that we will be able to do so in a timely manner, which could impair our ability to accurately and timely report our financial position, results of operations or cash flows.

14.We may not be able to maintain our current levels of profitability due to increased costs or reduced spreads.

Our business involves a large volume of asset financing of a small-ticket size which requires manual operational support. Hence, we require dedicated staff for providing our services. In order to grow our portfolio, our expanded operations will also increase our manpower requirements and push up operational costs.

Our growth will also require a relatively higher gross spread, or margin, on the consumer lending products we offer in order to maintain profitability. There can be no assurance that we will be able to maintain our current levels of profitability if the gross spreads on our consumer lending products were to reduce substantially, which could adversely affect our results of operations.

15.We may be subject to regulations in respect of provisioning for non-performing assets that are less stringent than in some other countries.

RBI guidelines prescribe the provisioning required in respect of our outstanding asset financing portfolio. These provisioning requirements may require us to reserve lower amounts than the provisioning requirements applicable to financial institutions and banks in other countries. The provisioning requirements may also require the exercise of subjective judgments of management.

The level of our provisions may not be adequate to cover further increases in the amount of our nonperforming assets or a decrease in the value of the underlying asset. If such provisions are not sufficient to provide adequate cover, this could have an adverse effect on our financial condition, liquidity and results of operations and may require us to raise additional capital. For further details, see "Business Overview" on page 48 of the Draft Prospectus, as also in the section "Key Industry Regulations" on page 53 of the Draft Prospectus.

16. Our Company operates in a highly regulated industry and must constantly adapt to new and changing regulatory requirements. Any inability to manage these requirements in a cost effective and timely manner, or at all, could adversely affect the operations and/or profitability of our Company.

Our Company is regulated principally by, and has reporting obligations to, the RBI. The regulatory and legal framework governing our Company may continue to change as India's economy and commercial and financial markets evolve. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted, and reforms have been implemented which are intended to provide tighter control and more transparency in India's asset finance sector. The laws and regulations governing the banking and financial services industry in India have become increasingly complex and cover a wide variety of issues, such as interest rates, liquidity, investments, money laundering, accounting policies, privacy, etc. Our Company is subject to the RBI's guidelines on financial regulation of NBFCs, including capital adequacy, exposure and other prudential norms.

The RBI also regulates the credit flow by banks to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs.

Any regulatory changes, such as an increase in the minimum capital adequacy requirement for deposit taking NBFCs such as our Company, could, for our Company, result in the imposition of restrictions on our Company's operations, additional costs, and/or the requirement for raising additional capital, all of which could in turn, adversely affect our Company's operations and/or profitability.

17. We may have to comply with stricter regulations and guidelines issued by regulatory authorities in India.

We are regulated principally by and have reporting obligations to the RBI. We are also subject to the corporate, taxation and other laws in effect in India. The regulatory and legal framework governing us differs in certain material respects from that in effect in other countries and may continue to change as India's economy and commercial and financial markets evolve. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency in India's Loan Industry. Moreover, new regulations may be passed that restrict our ability to do business.

We cannot assure you that we will not be subject to any adverse regulatory action in the future. Further, these regulations are subject to frequent amendments and depend upon government policy. Our present operations may not meet all regulatory requirements or subsequent regulatory amendments. The costs of compliance may be high, which may affect our profitability. If we are unable to comply with any such regulatory requirements, our business and results of operations may be materially and adversely affected.

18. In order to be successful, we must attract, retain and motivate key employees, and failure to do so could adversely affect our business.

In order to be successful, we must attract, train, motivate and retain highly skilled employees. If we cannot hire additional personnel or retain existing qualified personnel, our ability to expand our business will be impaired and our revenue could decline. Hiring and retaining qualified and skilled managers and sales representatives are critical to our future. In addition, we may not be able to hire and retain enough skilled and experienced employees to replace those who leave, or may not be able to re-deploy and retain our employees to keep pace with continuing changes in technology, evolving standards and changing customer preferences. The failure to hire key executives or employees or the loss of executives and key employees could have a significant impact on our operations.

19. Our ability to borrow from various banks may be restricted on account of guidelines issued by the RBI imposing restrictions on banks in relation to their exposure to NBFCs.

Under RBI Master Circular No. RBI/2012-13/68 DBOD. No.Dir.BC.3/13.03.00/2012-13 issued on July 2, 2012, the exposure (both lending and investment, including off balance sheet exposures) of a bank to a single NBFC / NBFC-AFC (Asset Financing Companies) should not exceed 10% / 15% respectively, of the bank's capital funds as per its last audited balance sheet. Banks may, however, assume exposures on a single NBFC / NBFC-AFC up to 15% / 20% respectively, of their capital funds provided the exposure in excess of 10% / 15% respectively, is on account of funds on-lent by the NBFC / NBFC-AFC to the infrastructure sector. Further, banks may also consider fixing internal limits for their aggregate exposure to all NBFCs put together.

This limits the exposure that banks may have on NBFCs such as us, which may restrict our ability to borrow from such banks and may increase our cost of borrowing, which could adversely impact our growth, margins and business operations.

20. Our Promoter Group may have the ability to determine the outcome of any shareholder resolution.

Our Promoter Group holds 56.71% of the pre-issue equity capital and will hold 39.85% of post-issue equity capital of the company. As significant shareholder group, our Promoter Group may have interests which may affect the interests of shareholders and/or our interests and may have the ability to determine the outcome of any shareholder resolution.

21. We may be unable to obtain future financing on favourable terms, or at all, to fund our operations, expected capital expenditure and working capital requirements.

We require capital for, amongst other purposes, expanding our operations, making acquisitions, managing acquired assets. To the extent that cash generated internally and cash available under our existing credit facilities are not sufficient to fund our capital requirements, we will require additional debt or equity financing, which may not be available on favourable terms, or at all.

If we fail to generate or obtain sufficient additional capital in the future, we could be forced to reduce or delay capital expenditures, sell assets or restructure or refinance our indebtedness.

22. We have been unable to locate certain of our corporate records with respect to the increase/ alteration of our paid up share capital.

We have been unable to locate certain forms filed with the Registrar of Companies, with respect to the allotment of 1,81,500 Equity Shares allotted on March 09, 1999, allotment of 1,00,000 Equity Shares allotted on March 15, 2009, allotment of 19,450 Equity Shares allotted on March 31, 2009. Details regarding the said allotments as mentioned above have been ascertained based on the minutes of the meetings of the Board of Directors. For further details, please see the section "Capital Structure of the Company" on page 14.

External Risk Factors/ Risks Related to India

1. A significant change in the central and state governments' economic liberalization and deregulation policies could disrupt our business. A change in taxation laws could also adversely impact our financial condition and results of operations.

Our performance and growth are dependent on the health of the Indian economy and more generally the global economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization

policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors.

In recent years, India has been following a course of economic liberalization and our business could be significantly influenced by economic policies adopted by the Government. The Government has at various times announced its general intention to continue India's current economic and financial liberalization and deregulation policies. The Government has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and political, economic or other developments in or affecting India. Any such change in the Government's policies in the future could adversely affect business and economic conditions in India and could also adversely affect our business, prospects, financial condition and results of operations.

2. Our future operating results are difficult to predict. Any unfavorable changes in the factors affecting our operations, including the economic, political, legal or social environments of the locations in which we operate may adversely affect our operating results and profitability.

Our business and results of operations may be adversely affected by, among other factors, the following:

- General economic and business environment in India
- Our ability to successfully implement our strategy and growth plans;
- Our ability to compete effectively and access funds at competitive cost;
- Effectiveness and accuracy of internal controls and procedures;
- Changes in domestic or international interest rates and liquidity conditions;
- Defaults by customers resulting in an increase in the level of non-performing assets in our portfolio;
- Rate of growth of our hire purchase assets and ability to maintain concomitant level of capital;
- Downward revision in credit ratings;
- Potential mergers, acquisitions or restructurings and increased competition;
- Change in tax benefits and incentives and other applicable regulations, including various tax laws;
- Our ability to retain our management team and skilled personnel;
- Change in laws and regulations that apply to NBFCs and financial services companies in India;
- Interest rates and our ability to enforce security; and
- Change in political conditions in India

All of the above factors may affect our revenues and therefore have an impact on our operating results and profitability.

Our business, earnings, asset values and the value of our Equity Shares may be materially and adversely affected by developments with respect to inflation, interest rates, currency fluctuations, government policies, price and wage controls, exchange control regulations, retail laws and regulations, taxation, expropriation, social instability and other political, legal or economic developments in or affecting the States in which we primarily operate. We have no control over such conditions and developments and can provide no assurance that such conditions and developments will not have a material adverse effect on our operations or the price of or market for our Equity Shares.

3. A change in accounting or tax policies applicable to the Company could result in an adverse effect on the Company's income and reported results of operations.

New or revised accounting or tax policies promulgated from time to time by relevant Indian authorities may significantly affect the Company's reported results of operations. Any current or future Government revisions to tax policies, could have a material adverse

effect on the Company's income and results of operations. If the corporate tax rate is increased, the company will have to bear additional tax burden and to that extent Company's profit after tax would be adversely affected.

4. Political, economic and social developments in India could adversely affect the Company's business.

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. The Company's business, and the market price and liquidity of the Company's Equity Shares, may be affected by changes in the Government's policies, including taxation. Social, political, economic or other developments in or affecting India, acts of war and acts of terrorism could also adversely affect the Company's business.

Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms. However, there can be no assurance that such policies will be continued and any significant change in the Government's policies in the future could affect business and economic conditions in India in general and could also affect the Company's business and industry in particular. In addition, any political instability in India or geopolitical stability affecting India will adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of the Company's Equity Shares.

The Company's performance and the growth of its business is necessarily dependant on the performance of the overall Indian economy. India's economy could be adversely affected by a general rise in interest rates, currency exchange rates, adverse conditions affecting agriculture, commodity and electricity prices or various other factors. Further, conditions outside India, such as slowdowns in the economic growth of other countries could have an impact on the growth of the Indian economy, and government policy may change in response to such conditions.

5. Financial instability in Indian financial markets could adversely affect the Company's results of operations and financial condition.

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America, Europe or China, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

6. Any downgrading of India's debt rating by an international rating agency could have a negative impact on the trading price of the Equity Shares.

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

7. Terrorist attacks, civil disturbances, regional conflicts and other acts of violence in India and abroad may disrupt or otherwise adversely affect the Company's business and its profitability.

Certain events that are beyond the control of the Company, such as terrorist attacks and other acts of violence or war, including those involving India, China, the UK, the US or other countries, may adversely affect worldwide financial markets and could potentially lead to a severe economic recession, which could adversely affect the Company's

business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy. Southern Asia has, from time to time, experienced instances of civil unrest and political tensions and hostilities among neighbouring countries, including India, Pakistan and China. India had witnessed a major terrorist attack in Mumbai on November 26, 2008, which led to an escalation of political tensions between India and Pakistan. Political tensions could create a perception that there is a risk of disruption of business provided by India-based companies, which could have an adverse effect on the Company's business, future financial performance and price of the Shares. Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that are protracted or involve the threat or use of nuclear weapons, the Company's operations might be significantly affected.

India has from time to time experienced social and civil unrest and hostilities, including riots, regional conflicts and other acts of violence. Events of this nature in the future could have a material adverse effect on the Company's ability to develop its business. As a result, the Company's business, results of operations and financial condition may be adversely affected.

8. Significant differences exist between Indian GAAP and other accounting principles and IFRS, which may be material to investors' assessment of the Company's financial condition.

As stated in the reports of the Company's independent auditors included in this Draft Prospectus, its financial statements are prepared and presented in conformity with Indian GAAP, consistently applied during the periods stated, except as provided in such reports, and no attempt has been made to reconcile any of the information given in this Draft 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.

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

Taxes and other levies imposed by the central or state governments in India that affect our industry include service tax, professional tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time.

The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

Risks Related to this Issue

1. There is no existing market for our Equity Shares, and we do not know if one will develop to provide you with adequate liquidity. Further, an active trading market for the Equity Shares may not develop and the price of the Equity Shares may be volatile.

An active public trading market for the Equity Shares may not develop or, if it develops, may not be maintained after the Issue. Our Company in consultation with the Lead Manager, will determine the Issue Price. The Issue Price may be higher than the trading price of our Equity Shares following this Issue. As a result, investors may not be able to sell their Equity Shares at or above the Issue Price or at the time that they would like to sell. The trading price of the Equity Shares after the Issue may be subject to significant fluctuations in response to factors such as, variations in our results of operations, market conditions specific to the sectors in which we operate economic conditions of India and volatility of the BSE and other securities markets.

2. There is no guarantee that the Equity Shares will be listed on the BSE in a timely manner or at all and any trading closures at the BSE may adversely affect the trading price of the Company's Equity Shares.

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. Approval requires all other relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the BSE. Any failure or delay in obtaining the approval would restrict investors' ability to dispose of their Equity Shares.

3. Any future issuance of Equity Shares by the Company may dilute investors' shareholding and adversely affect the trading price of the Equity Shares.

Any future issuance of Equity Shares by the Company may dilute shareholding of investors in the Company; adversely affect the trading price of the Company's Equity Shares and its ability to raise capital through an issue of its securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Company's Equity Shares. Additionally the disposal, pledge or encumbrance of Equity Shares by any of the Company's major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that the Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

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

Subsequent to listing, the Company will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India 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 the Company's circuit breaker is set by the stock exchange based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchange is not required to inform the Company of the percentage limit of the circuit breaker from time to time, and may change it without its knowledge. This circuit breaker 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.

5. Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Issue until the Issue receives the appropriate trading approvals.

The Company's Equity Shares will be listed on the BSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' book entry, or "demat" accounts with depository participants in India are expected to be credited within ten working days of the date on Issue closure. Thereafter, upon receipt of final approval from the BSE, trading in the Equity Shares is expected to commence within twelve working days of the date on which the Issue closes. The Company cannot assure investors that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above. Any delay in obtaining the approvals would restrict the Company's ability to dispose of its Equity Shares.

6. The price of the Equity Shares may be highly volatile after the Issue.

The price of the Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including: volatility in the Indian and global securities market; our operations and performance; performance of our competitors; adverse media

reports on us; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India's economic liberalization and deregulation policies; and significant developments in India's fiscal and environmental regulations. There can be no assurance that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequently.

7. The requirements of being a listed company may strain our resources.

We are not a listed company and have not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the listing agreements with the Stock Exchanges, which require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as timely as other listed companies.

Further, as a listed company we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. In addition, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely manner.

8. Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.

The Indian securities markets are smaller than securities markets in more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. These exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

9. Future issuances or sales of the Equity Shares by any existing shareholders could significantly affect the trading price of the Equity Shares.

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

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

Sale of Equity Shares by any holder may give rise to tax liability in India, as discussed in the section titled "Statement of Tax Benefits" on page 35.

Prominent Notes:

- ➔ Investors may contact the Lead Manager, in relation to any complaints, information or clarifications pertaining to the Issue.

- ➔ The Company's net worth as of March 31, 2012 was Rs. 610.80 Lacs (Rs. 589.92 Lacs for the nine months period ended December 31, 2012), as per its audited financial statements prepared under Indian GAAP. The net asset value per Equity Share as of March 31, 2012 was Rs. 12.88 (Rs. 12.10 for the nine months period ended December 31, 2012), as per its audited standalone financial statements in compliance with Indian GAAP.
- ➔ Public Issue of 13,36,000 Equity Shares of Rs. 10/- each of Money Masters Leasing & Finance Limited ("MMLFL" or the "Issuer") for cash at a price of Rs. 15 per fully paid up Equity Share (including a share premium of Rs. 5 per Equity Share) aggregating Rs. 200.40 lacs ("The Issue"). The issue will constitute 29.73% of the post issue paid up capital of the company. The Issue is a Fixed Price Issue.
- ➔ The average cost of acquisition of Equity Shares of the Company by the Promoters which has been calculated by taking the average amount paid by them to acquire the Equity Shares is as follows:

| | |
|-----------------------------------|-----------|
| Hozef Abdulhussain Darukhanawala: | Rs. 10.40 |
| Durriya Hozefa Darukhanawala: | Rs. 8.43 |
- ➔ For interest of our Group Companies/Promoters/Directors/Key Managerial Personnel and other ventures promoted by Promoters, please refer to section titled "Risk Factors", "Our Promoters and Promoter Group", "Our Management", Annexure of 'Related Party Transactions' in "Financial Information of our Company" beginning on page x, 73, 63, & 78 respectively.
- ➔ For details of 'Related Party Transactions' during the last year, the nature of transaction and the cumulative value of transactions please refer to Annexure XVI of "Financial Information of our Company" on page 78.
- ➔ There are no financing arrangements whereby the Promoter group, the Directors of the Company which our promoter, our Directors and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date this Draft Prospectus.
- ➔ For more information on transactions in Equity Shares undertaken by the Company's Promoters and Group Entities, see "Capital Structure of the Company" beginning on page 14 of this Draft Prospectus.
- ➔ The Company has not issued any Equity Shares for consideration other than cash.
- ➔ Trading in the Equity Shares shall be in dematerialised form only.

SECTION III- INTRODUCTION

SUMMARY OF INDUSTRY OVERVIEW

Overview of the Global and Indian Economy

Global Economic Conditions: Global growth likely to stay sluggish in 2013

Global growth turned weaker in 2012 and is expected to stay sluggish in 2013 as fiscal adjustments drag growth in advanced economies (AEs) and, in turn, delay cyclical recovery in emerging market and developing economies (EMDEs). The International Monetary Fund (IMF) in its World Economic Outlook has forecast global growth to stay sluggish at 3.3 per cent in 2013 before improving to 4.0 per cent in 2014. While downside tail risks have reduced in early 2013 because of the supportive policy action in the euro area and the measures to tackle the fiscal cliff in the US, risks to global recovery have increased consequent to the Chinese economy slowing down.

Steady monetary easing in the face of fiscal austerity measures in advanced economies boosted global investor sentiments since Q4 of 2012. Notwithstanding the recent fallout of Cyprus, international financial markets posted significant gains, especially in Japan following its recent policy stimulus and in the US on the back of improved economic data. However, improved financial conditions are yet to translate into a sustained recovery in economic activity. Strong FII inflows, especially in H2 of 2012-13 augured well for the Indian equity market and the rupee, although the market movements were also conditioned by domestic slowdown and governance concerns. Primary equity market, however, remain subdued. Its recovery depends on improvement in macroeconomic fundamentals, continued fiscal consolidation and revival of global growth.

[Source: RBI - Macroeconomic and Monetary Developments in 2012-13]

Indian Economy

While India's recent slowdown is partly rooted in external causes, domestic causes are also important. The strong post-financial-crisis stimulus led to stronger growth in 2009-10 and 2010-11. However, the boost to consumption, coupled with supply side constraints, led to higher inflation. Monetary policy was tightened, even as external headwinds to growth increased. The consequent slowdown, especially in 2012-13, has been across the board, with no sector of the economy unaffected. Falling savings without a commensurate fall in aggregate investment have led to a widening current account deficit (CAD). Wholesale price index (WPI) inflation has been coming down in recent months. However, food inflation, after a brief slowdown, continues to be higher than overall inflation. Given the higher weightage to food in consumer price indices (CPI), CPI inflation has remained close to double digits. Another consequence of the slowdown has been lower-than-targeted tax and non-tax revenues. With the subsidies bill, particularly that of petroleum products, increasing, the danger that fiscal targets would be breached substantially became very real in the current year. The situation warranted urgent steps to reduce government spending so as to contain inflation. Also required were steps to facilitate corporate and infrastructure investment so as to ease supply. Several measures announced in recent months are aimed at restoring the fiscal health of the government and shrinking the CAD as also improving the growth rate. With the global economy also likely to recover somewhat in 2013, these measures should help in improving the Indian economy's outlook for 2013-14.

[Source: Economic Survey 2012-13]

Non-Banking Financial Company (NBFC)

A Non-Banking Financial Company (NBFC) is a company registered under the Companies Act, 1956 engaged in the business of loans and advances, acquisition of shares/stocks/bonds/debentures/securities issued by Government or local authority or other marketable securities of a like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, purchase or sale of any goods (other than securities) or providing any services and sale/purchase/construction of immovable property. A non-banking institution which is a company and has principal business of receiving deposits under any scheme or arrangement in one lump sum or in installments by way of contributions or in any other manner, is also a non-banking financial company (Residuary non-banking company).

Different types/categories of NBFCs registered with RBI

NBFCs are categorized a) in terms of the type of liabilities into Deposit and Non-Deposit accepting NBFCs, b) non deposit taking NBFCs by their size into systemically important and other non-deposit holding companies (NBFC-NDSI and NBFC-ND) and c) by the kind of activity they conduct. Within this broad categorization the different types of NBFCs are as follows:

- i. **Asset Finance Company (AFC)** : An AFC is a company which is a financial institution carrying on as its principal business the financing of physical assets supporting productive/economic activity, such as automobiles, tractors, lathe machines, generator sets, earth moving and material handling equipments, moving on own power and general purpose industrial machines. Principal business for this purpose is defined as aggregate of financing real/physical assets supporting economic activity and income arising therefrom is not less than 60% of its total assets and total income respectively.
- ii. **Investment Company (IC)** : IC means any company which is a financial institution carrying on as its principal business the acquisition of securities,
- iii. **Loan Company (LC)** : LC means any company which is a financial institution carrying on as its principal business the providing of finance whether by making loans or advances or otherwise for any activity other than its own but does not include an Asset Finance Company.
- iv. **Infrastructure Finance Company (IFC)** : IFC is a non-banking finance company a) which deploys at least 75 per cent of its total assets in infrastructure loans, b) has a minimum Net Owned Funds of Rs. 300 crore, c) has a minimum credit rating of 'A' or equivalent d) and a CRAR of 15%.
- v. **Systemically Important Core Investment Company (CIC-ND-SI)** : CIC-ND-SI is an NBFC carrying on the business of acquisition of shares and securities which satisfies the following conditions:-
 - a. it holds not less than 90% of its Total Assets in the form of investment in equity shares, preference shares, debt or loans in group companies;
 - b. its investments in the equity shares (including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue) in group companies constitutes not less than 60% of its Total Assets;
 - c. it does not trade in its investments in shares, debt or loans in group companies except through block sale for the purpose of dilution or disinvestment;
 - d. it does not carry on any other financial activity referred to in Section 45I(c) and 45I(f) of the RBI act, 1934 except investment in bank deposits, money market instruments, government securities, loans to and investments in debt issuances of group companies or guarantees issued on behalf of group companies.
 - e. Its asset size is Rs 100 crore or above and
 - f. It accepts public funds
- vi. **Infrastructure Debt Fund: Non- Banking Financial Company (IDF-NBFC)**: IDF-NBFC is a company registered as NBFC to facilitate the flow of long term debt into infrastructure projects. IDF-NBFC raise resources through issue of Rupee or Dollar denominated bonds of minimum 5 year maturity. Only Infrastructure Finance Companies (IFC) can sponsor IDF-NBFCs.
- vii. **Non-Banking Financial Company - Micro Finance Institution (NBFC-MFI)**: NBFC-MFI is a non-deposit taking NBFC having not less than 85% of its assets in the nature of qualifying assets which satisfy the following criteria:
 - a. loan disbursed by an NBFC-MFI to a borrower with a rural household annual income not exceeding Rs. 60,000 or urban and semi-urban household income not exceeding Rs. 1,20,000;
 - b. loan amount does not exceed Rs. 35,000 in the first cycle and Rs. 50,000 in subsequent cycles;
 - c. total indebtedness of the borrower does not exceed Rs. 50,000;
 - d. tenure of the loan not to be less than 24 months for loan amount in excess of Rs. 15,000 with prepayment without penalty;
 - e. loan to be extended without collateral;
 - f. aggregate amount of loans, given for income generation, is not less than 75 per cent of the total loans given by the MFIs;
 - g. loan is repayable on weekly, fortnightly or monthly instalments at the choice of the borrower
- viii. **Non-Banking Financial Company – Factors (NBFC-Factors)**: NBFC-Factor is a non-deposit taking NBFC engaged in the principal business of factoring. The financial assets in the factoring business should constitute at least 75 percent of its total assets and its income derived from factoring business should not be less than 75 percent of its gross income.

[Source: Frequently Asked Questions on NBFCs - RBI Website]

For further details, kindly refer to the chapter “Industry Overview” on page 43 of this Draft Prospectus.

SUMMARY OF BUSINESS OVERVIEW

Overview

Incorporated as 'Money Masters Leasing & Finance Private Limited' at Mumbai on October 26, 1994 under the Companies Act, 1956 with the Registrar of Companies, Maharashtra. On February 09, 1996 the name of the Company was changed to 'Money Masters Leasing & Finance Limited'.

Our Company is a NBFC registered with RBI to carry on NBFC Activities under Section 45IA of the Reserve Bank of India Act, 1934 bearing Certificate no. 13.00931 dated July 31, 1998.

PRODUCTS AND SERVICES

We offer following products and services.

Asset Finance on Hire Purchase:

Our Company provides Asset Finance on Hire Purchase basis for purchase of income generating assets. Our deployment of funds is strictly made after following our investment policies, physical verification of assets and fulfillment of KYC norms. We provide Asset Finance on Hire Purchase basis to various Small Scale Industries, Traders, Transport Operators, Auto-Rickshaws & Taxis operators, and also provides Computer and Equipment Finance. As on date, approximately 60% of our total funds deployed are in form of Asset Finance on Hire Purchases basis.

As on date, our average financing size per auto rickshaw is Rs.1,50,000/- and on an average we finance 15-18 auto rickshaws per month.

We provide financing on Hire Purchase basis for the following categories of assets:

- ➔ Auto Rickshaws
- ➔ Computers
- ➔ Industrial Machinery and Tools
- ➔ Cars
- ➔ Equipments

Non Hire Purchase Loans:

Apart from Asset Finance on Hire Purchase basis, we also provide finance for other loans such as Loans against Property etc.

For further details, kindly refer to the chapter "Business Overview" on page 48 of this Draft Prospectus.

ISSUE DETAILS IN BRIEF

The details of the issue are as follows:

| | |
|--|--|
| Details of Equity Shares offered: | |
| Public Issue | 13,36,000 Equity Shares Rs. 10 each for cash at a price of Rs. 15 per equity share aggregating Rs. 200.40 Lacs. |
| Of Which | |
| A) Reserved for the Market Makers | 80,000 Equity Shares of Rs. 10 each for cash at a price of Rs. 15 per Equity Share aggregating Rs. 12.00 Lacs. |
| B) Net Issue to the Public | 12,56,000 Equity Shares of Rs. 10 each for cash at a price of Rs. 15 per equity share aggregating Rs. 188.40 Lacs |
| Of Which | |
| For Retail Individual Investors | Minimum of 6,28,000 Equity Shares of Rs. 10 each (constituting 50% of the Net Issue to the Public) for cash at a price of Rs. 15 per equity share aggregating Rs. 94.20 Lacs |
| For Individual applicants other than retail individual investors; and Other investors including corporate bodies or institutions, irrespective of the number of Equity Shares applied for. | 6,28,000 Equity Shares of Rs. 10 each for cash at a price of Rs. 15 per equity share aggregating Rs. 94.20 Lacs |
| Pre and Post Issue Equity Shares | |
| Equity Shares outstanding prior to the Issue | 31,58,200 Equity Shares of face value of Rs.10/- each |
| Equity Shares outstanding after the Issue | 44,94,200 Equity Shares of face value of Rs.10/- each |
| Use of Issue proceeds | |
| See the section titled "Objects of the Issue" on page 28 of this Draft Prospectus for information about the use of the Issue Proceeds. | |

Kindly Note:

Under subscription, if any, in any category would be allowed to be met with spill over from any of the other categories, at the sole discretion of the Company, in consultation with the Lead Managers and the Designated Stock Exchange.

This issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to "Issue Structure" on page 130 of this Draft Prospectus.

SUMMARY FINANCIAL AND OPERATING INFORMATION

The following tables set forth the summary financial information derived from the restated audited financial statements for the years ended March 31, 2008, 2009, 2010, 2011 and 2012 and for the nine months period ended December 31, 2012 and prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2009. The restated summary financial information presented below should be read in conjunction with the restated financial information included in the Draft Prospectus, the notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 105 of the Draft Prospectus.

SUMMARY STATEMENT OF ASSETS AND LIABILITIES (AS RESTATED)

| | Particulars | Amount in Rs. | | | | | |
|----------|---|------------------------|------------------------|------------------------|------------------------|-----------------------|-----------------------|
| | | As at | | | | | |
| | | 31-Dec-12 | 31-Mar-12 | 31-Mar-11 | 31-Mar-10 | 31-Mar-09 | 31-Mar-08 |
| A | Non-Current Assets | | | | | | |
| | Fixed Assets | | | | | | |
| | Tangible Assets | 14,23,851.00 | 14,00,477.00 | 8,32,335.00 | 24,42,057.00 | 27,89,371.00 | 65,37,632.10 |
| | Intangible Assets | 3,01,787.00 | 73,051.00 | 17,885.00 | 29,808.00 | 49,680.00 | 82,800.00 |
| | Capital Work-in-Progress | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Intangible Assets under development | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Non-Current Investments | 85,07,032.00 | 1,75,07,032.00 | 1,20,07,032.00 | 82,58,032.00 | 62,58,032.00 | 64,34,532.00 |
| | Deferred tax assets(net) | 0.00 | 58,142.00 | 17,527.00 | 0.00 | 0.00 | 0.00 |
| | Long-term Loans & advances | 8,17,52,662.00 | 6,74,92,858.00 | 5,89,61,164.00 | 5,88,59,535.00 | 5,05,57,618.00 | 4,51,02,987.65 |
| | Other non-current assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| B | Current Assets | | | | | | |
| | Current Investments | 0.00 | 0.00 | 41,65,329.00 | 30,00,000.00 | 15,00,000.00 | 50,000.00 |
| | Trade receivables | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Cash & Cash equivalent | 9,37,740.00 | 60,50,105.00 | 33,24,523.00 | 15,96,563.00 | 19,91,726.00 | 28,00,250.55 |
| | Short -term loans & advances | 3,48,93,711.00 | 2,90,78,093.00 | 2,42,31,744.00 | 2,01,93,120.00 | 1,68,27,600.00 | 1,40,23,000.00 |
| | Other Current Assets | 70,11,879.00 | 65,32,513.00 | 66,16,188.00 | 1,15,37,733.00 | 1,41,02,752.00 | 1,09,74,231.00 |
| C | Total Asset(C=A+B) | 13,48,28,662.00 | 12,81,92,271.00 | 11,01,73,727.00 | 10,59,16,848.00 | 9,40,76,779.00 | 8,60,05,433.30 |
| D | Non-Current liabilities | | | | | | |
| | Long-term Borrowings/Deposits | 5,29,75,541.00 | 4,81,48,671.00 | 4,40,50,529.00 | 4,65,28,147.00 | 4,31,91,676.00 | 3,84,79,349.00 |
| | Other long -term liabilities | 25,85,882.00 | 16,11,131.50 | 12,74,015.50 | 17,23,998.00 | 15,80,437.00 | 16,48,028.50 |
| | Long-term Provisions | 37,08,171.00 | 36,08,171.00 | 41,06,171.00 | 47,20,000.00 | 23,32,000.00 | 23,32,000.00 |
| | Deferred tax Liabilities(Net) | 6,599.00 | 0.00 | 0.00 | 6,439.00 | 42,148.00 | 30,486.00 |
| E | Current Liabilities | | | | | | |
| | Short-term Borrowings/Deposits | 1,12,92,091.00 | 1,02,65,537.00 | 93,32,307.00 | 1,12,81,058.00 | 82,40,778.00 | 70,44,634.00 |
| | Trade payables | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Other Current Liabilities | 30,48,943.00 | 17,71,526.50 | 15,05,649.50 | 21,82,995.00 | 23,42,977.00 | 30,44,555.50 |
| | Short-term Provisions | 22,19,861.91 | 17,06,956.00 | 16,14,653.00 | 11,31,349.00 | 28,19,651.00 | 1,08,722.00 |
| F | Total Liabilities(F=D+E) | 7,58,37,088.91 | 6,71,11,993.00 | 6,18,83,325.00 | 6,75,73,986.00 | 6,05,49,667.00 | 5,26,87,775.00 |
| | Net Worth(C-F) | 5,89,91,573.09 | 6,10,80,278.00 | 4,82,90,402.00 | 3,83,42,862.00 | 3,35,27,112.00 | 3,33,17,658.30 |
| | Net worth represented by | | | | | | |
| G | Shareholder's funds | | | | | | |
| | Equity Share Capital | 3,15,82,000.00 | 3,15,82,000.00 | 3,15,82,000.00 | 3,06,54,500.00 | 2,64,19,500.00 | 2,29,79,000.00 |
| | Preference share capital | 2,07,92,000.00 | 2,03,92,000.00 | 31,12,000.00 | 0.00 | 0.00 | 0.00 |
| | Share Application Money pending Allotment | 0.00 | 26,50,000.00 | 74,00,000.00 | 29,00,000.00 | 48,00,000.00 | 66,00,000.00 |
| | Reserves & Surplus | 66,17,573.09 | 64,56,278.00 | 61,96,402.00 | 47,88,362.00 | 23,07,612.00 | 37,38,658.30 |
| | Total Shareholder's Fund | 5,89,91,573.09 | 6,10,80,278.00 | 4,82,90,402.00 | 3,83,42,862.00 | 3,35,27,112.00 | 3,33,17,658.30 |

SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

| Particulars | Amount in Rs | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|---------------------|
| | For the Year ended | | | | | |
| | 31-Dec-12 | 31-Mar-12 | 31-Mar-11 | 31-Mar-10 | 31-Mar-09 | 31-Mar-08 |
| Income from continuing Operations | | | | | | |
| I.Revenue from operations | 1,01,49,266.00 | 1,28,50,628.00 | 1,12,33,561.00 | 1,06,98,411.00 | 86,68,273.00 | 65,47,147.00 |
| II.Other Income | 2,40,802.00 | 1,20,267.00 | 9,09,077.00 | 3,62,955.00 | 9,13,418.00 | 7,53,751.20 |
| III.Total revenue(I+II) | 1,03,90,068.00 | 1,29,70,895.00 | 1,21,42,638.00 | 1,10,61,366.00 | 95,81,691.00 | 73,00,898.20 |
| IV.Expenses | | | | | | |
| Employee Benefits Expenses | 11,83,907.00 | 16,24,649.00 | 13,83,410.00 | 11,91,218.00 | 9,66,090.00 | 7,02,101.00 |
| Finance Cost | 50,25,591.00 | 63,18,964.00 | 65,52,901.00 | 62,50,867.00 | 52,33,821.00 | 50,24,551.00 |
| Depreciation and amortization expenses | 4,51,890.00 | 4,24,821.00 | 2,91,645.00 | 3,67,186.00 | 3,91,385.00 | 2,54,410.00 |
| Other expenses | 16,64,919.00 | 28,23,811.00 | 34,35,993.00 | 20,95,298.00 | 17,55,279.00 | 8,63,800.00 |
| Total expenses(IV) | 83,26,307.00 | 1,11,92,245.00 | 1,16,63,949.00 | 99,04,569.00 | 83,46,575.00 | 68,44,862.00 |
| V.Profit before tax from continuing operations(III-IV) | 20,63,761.00 | 17,78,650.00 | 4,78,689.00 | 11,56,797.00 | 12,35,116.00 | 4,56,036.20 |
| VI.Exceptional items | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| VII.Profit before extraordinary items and tax | 20,63,761.00 | 17,78,650.00 | 4,78,689.00 | 11,56,797.00 | 12,35,116.00 | 4,56,036.20 |
| VIII.Extra ordinary items | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| IX.Profit before tax(VII-VIII) | 20,63,761.00 | 17,78,650.00 | 4,78,689.00 | 11,56,797.00 | 12,35,116.00 | 4,56,036.20 |
| X.Tax Expenses/(Income) | | | | | | |
| Current tax | 5,62,676.00 | 7,12,783.00 | 2,78,716.00 | 2,10,540.00 | 2,40,000.00 | 1,08,722.00 |
| Deferred tax charge /(credit) | 64,741.00 | (40,615.00) | (23,966.00) | (35,709.00) | 11,662.00 | 30,486.00 |
| Total tax expense | 6,27,417.00 | 6,72,168.00 | 2,54,750.00 | 1,74,831.00 | 2,51,662.00 | 1,39,208.00 |
| XI.Profit for the period after tax from continuing operations | 14,36,344.00 | 11,06,482.00 | 2,23,939.00 | 9,81,966.00 | 9,83,454.00 | 3,16,828.20 |
| XII. Profit/(loss) from discontinuing operations | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| XIII.Tax expenses of discontinuing operations | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| XIV.Profit for the period | 14,36,344.00 | 11,06,482.00 | 2,23,939.00 | 9,81,966.00 | 9,83,454.00 | 3,16,828.20 |

SUMMARY STATEMENT OF CASH FLOW:

| Particulars | Amount in Rs | | | | | |
|--|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | For the year ended | | | | | |
| | 31-Dec-12 | 31-Mar-12 | 31-Mar-11 | 31-Mar-10 | 31-Mar-09 | 31-Mar-08 |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | | | |
| Net profit before taxation from continuing operations (as restated) | 20,63,761.00 | 17,78,650.00 | 4,78,689.00 | 11,56,797.00 | 12,35,116.00 | 4,56,036.20 |
| Net profit before taxation from discontinued operations (as restated) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Non cash adjustments to reconcile profit before tax to net cash flows | 20,63,761.00 | 17,78,650.00 | 4,78,689.00 | 11,56,797.00 | 12,35,116.00 | 4,56,036.20 |
| Depreciation and amortisation expense | 4,51,890.00 | 4,24,821.00 | 2,91,645.00 | 3,67,186.00 | 3,91,385.00 | 2,54,410.00 |
| Provision for NPA | 0.00 | 1,00,000.00 | 4,50,000.00 | 3,00,000.00 | 1,50,000.00 | 0.00 |
| Provision for Std Assets | 0.00 | 40,000.00 | 1,97,771.00 | 0.00 | 0.00 | 0.00 |
| Provision for depreciation on Investment | 0.00 | 45,594.00 | 71,406.00 | 2,00,000.00 | 0.00 | 0.00 |
| Operating profit before working capital changes (as restated) | 25,15,651.00 | 23,89,065.00 | 14,89,511.00 | 20,23,983.00 | 17,76,501.00 | 7,10,446.20 |
| Movements in Working Capital | | | | | | |
| <i>Adjustments for (Increase)/(Decrease) in Operating Assets</i> | | | | | | |
| Trade receivables | 0.00 | 0.00 | 0.00 | 8,60,160.00 | (54,775.00) | (7,50,000.00) |
| Interest Receivable on Non HP Loan | 2,05,781.00 | (1,02,994.00) | 10,15,720.00 | 7,11,589.00 | (4,14,495.00) | (8,85,510.00) |
| Interest Receivable on Govt Securities | 3,64,564.00 | (53,530.00) | (30,588.00) | (85,110.00) | 1,55,177.00 | 18,399.00 |
| Interest Receivable on Bank FDR | 79,880.00 | 1,97,431.00 | (2,90,214.00) | (1,84,954.00) | (41,786.00) | 0.00 |
| Deposits & Taxes | 57,490.00 | (10,56,584.00) | (1,76,075.00) | (1,36,606.00) | 2,03,980.00 | (5,89,727.00) |
| Advances | (5,00,000.00) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| <i>Adjustments for Increase/(Decrease) in Operating Liabilities</i> | | | | | | |
| Interest Payables on Deposits | 4,80,868.50 | 3,37,116.00 | (4,49,982.50) | 1,42,325.00 | (2,65,123.50) | 4,99,846.50 |
| Current Liabilities and Provisions | 7,50,200.00 | 1,64,123.00 | (44,883.00) | 17,224.00 | (36,928.00) | (4,12,166.00) |
| Bank O/D against FD | 0.00 | 0.00 | (27,97,143.00) | 22,69,015.00 | 4,94,994.00 | 33,134.00 |
| Intt. Payable on ICD | 96,548.00 | (1,21,239.00) | (1,99,297.00) | (3,30,373.00) | (3,16,598.00) | 73,369.00 |
| Cash flow from operations | 40,50,982.50 | 17,53,388.00 | (14,82,951.50) | 52,87,253.00 | 15,00,946.50 | (13,02,208.30) |
| LESS: Taxes Paid | (3,32,131.00) | (4,50,000.00) | (4,58,637.00) | (1,50,000.00) | (1,00,000.00) | (3,00,000.00) |
| Net Cash generated from operating activities(A) | 37,18,851.50 | 13,03,388.00 | (19,41,588.50) | 51,37,253.00 | 14,00,946.50 | (16,02,208.30) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | | | |
| Purchase of fixed assets | (7,04,000.00) | (10,48,129.00) | (1,07,500.00) | 0.00 | (8,90,283.00) | (23,46,708.00) |
| Investment sold/(Purchased) | 90,00,000.00 | (13,34,671.00) | (49,14,329.00) | (35,00,000.00) | (14,50,000.00) | 9,86,000.00 |
| Premium on Investment of Govt Securities | 0.00 | 80,742.00 | 2,142.00 | (1,26,000.00) | 0.00 | 0.00 |
| Discount on Investment in Govt Securities | 0.00 | 1,18,473.00 | 2,21,000.00 | 0.00 | 0.00 | 0.00 |
| Proceeds from Sale of Fixed Assets | 0.00 | 0.00 | 14,37,500.00 | 0.00 | 42,80,282.00 | 0.00 |
| Net cash used in investing activities(B) | 82,96,000.00 | (21,83,585.00) | (33,61,187.00) | (36,26,000.00) | 19,39,999.00 | (13,60,708.00) |
| C. CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES | | | | | | |
| Proceeds from Issue of Equity Shares | 0.00 | 0.00 | 9,27,500.00 | 42,35,000.00 | 34,40,500.00 | 50,00,000.00 |
| Proceeds from Issue of Preference Shares | 4,00,000.00 | 1,72,80,000.00 | 31,12,000.00 | 0.00 | 0.00 | 0.00 |
| Non Hire Purchase Loan | (53,13,892.00) | (60,85,863.00) | (21,34,099.00) | (84,273.00) | 13,83,382.00 | (24,83,695.00) |
| Employee Loan | 51,600.00 | 60,000.00 | 1,00,000.00 | 2,00,000.00 | 2,00,000.00 | 0.00 |
| Interest Payables on Deposits | 9,74,750.50 | 3,37,116.00 | (4,49,982.50) | 1,43,561.00 | (67,591.50) | 4,56,101.50 |
| Short term Loans and Advance-HP loans | (1,51,68,080.00) | (73,26,596.00) | 18,98,043.00 | (1,01,33,440.00) | (1,27,19,234.00) | (98,82,805.00) |
| Deposits including director deposits | 44,53,424.00 | 70,00,246.00 | 34,16,633.00 | 58,81,759.00 | 81,32,865.00 | 20,51,545.00 |
| Long Term Borrowing-Corp Deposits | 14,00,000.00 | (20,87,347.00) | (52,66,860.00) | (17,74,023.00) | (27,19,388.00) | 39,33,369.00 |
| Share application Money Received/(refunded) | (26,50,000.00) | (47,50,000.00) | 45,00,000.00 | (19,00,000.00) | (18,00,000.00) | 40,70,000.00 |
| Loan Repaid | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (4,33,314.00) |
| Dividend on Preference Share | (10,97,056.00) | (7,11,805.00) | 0.00 | 0.00 | 0.00 | 0.00 |
| Dividend Distribution Tax | (1,77,967.00) | (1,09,974.00) | 0.00 | 0.00 | 0.00 | 0.00 |
| Share Premium | 0.00 | 0.00 | 9,27,500.00 | 15,25,000.00 | 0.00 | 0.00 |
| Net cash generated from/(used in) financing activities (C) | (1,71,27,220.50) | 36,05,777.00 | 70,30,734.50 | (19,06,416.00) | (41,49,466.50) | 27,11,201.50 |
| Net increase/(decrease) in cash and cash equivalents (A + B + C) | (51,12,365.00) | 27,25,582.00 | 17,27,960.00 | (3,95,163.00) | (8,08,524.55) | (2,51,715.45) |
| Cash and cash equivalents at the beginning of the year | 60,50,105.00 | 33,24,523.00 | 15,96,563.00 | 19,91,726.00 | 28,00,250.55 | 30,51,966.00 |
| Cash and cash equivalents at the end of the year | 9,37,740.00 | 60,50,105.00 | 33,24,523.00 | 15,96,563.00 | 19,91,726.00 | 28,00,250.55 |

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 'Cash Flow Statement'.
- Previous year's figures have been regrouped / rearranged /recasted wherever necessary to make them comparable with those of current year.

GENERAL INFORMATION

Incorporation

Incorporated as 'Money Masters Leasing & Finance Private Limited' at Mumbai on October 26, 1994 under the Companies Act, 1956 with the Registrar of Companies, Maharashtra. On February 09, 1996 the name of the Company was changed to 'Money Masters Leasing & Finance Limited'.

Registered Office of the Company:

4, Akash Deep, Ground Floor, TPS VI, Road No. 1, Milan Subway, Santacruz (West), Mumbai-400054

Tel.: 022- 26103848, 26180202; **Fax:** 022- 26103848, 26180202

Email: ipo.moneymasters@gmail.com

Website: <http://moneymasters.in/>

CIN: U65990MH1994PLC082399

Registrar of Companies:

Registrar of Companies, Maharashtra located at 100, Everest, Marine Drive, Mumbai- 400002.

Changes in the Registered Office since incorporation

At the time of incorporation our Company was situated at 1/18, Rizvi Park, S.V. Road, Santa Cruz (West), Mumbai-400054. The Registered Office of the Company was shifted to its present address at 4, Akash Deep, Ground Floor, TPS VI, Road No. 1, Milan Subway, Santacruz (West), Mumbai-400054 vide the resolution passed in the Board Meeting dated October 01, 2011, with immediate effect.

Board of Directors

| Name, Fathers' name, Designation, Experience, Address | Age (In Years) | Qualifications | DIN | Details of directorships in other companies |
|--|-----------------------|-----------------------|------------|--|
| Hozef Abdulhussain Darukhanawala, (S/o: Abdulhussain Habib Darukhanawala) Designation: Managing Director Status: Promoter Director Experience: 35 years Occupation: Business Address: 2-B, Crystal CHS, Juhu Road, Next to Santacruz Police Station, Santacruz (West), Mumbai-400054 | 54 Years | Graduate | 00177029 | Nil |
| Durriya Hozefa Darukhanawala, (W/o: Hozef Abdulhussain Darukhanawala) Designation: Director Status: Promoter Director Experience: 15 years Occupation: Business | 49 Years | Graduate | 00177073 | Nil |

| | | | | |
|---|----------|--|----------|-----|
| Address: 2-B, Crystal CHS, Juhu Road, Next to Santacruz Police Station, Santacruz (West), Mumbai-400054 | | | | |
| Dr. Nathmal Gokuldas Lohia (S/o: Gokuldas Narsingdas Lohia) Designation: Director Status: Independent Director Experience: 45 years Occupation: Industrialist Address: 8, Golden Beach Bungalows, Ruia Road, Juhu, Mumbai -400049 | 77 years | Ph.D from Nagpur University in Insurance and Housing Finance | 00177112 | Nil |
| Dr. Sadhana Nathmal Lohia (D/o: Dr. Nathmal Gokuldas Lohia) Designation: Director Status: Independent Director Experience: 12 years Occupation: Consulting Homoeopath Address: 8, Golden Beach Bungalows, Ruia Road, Juhu, Mumbai -400049 | 38 years | Doctor of Medicine | 00177146 | Nil |

The brief details of the Managing Director, Whole Time Directors, etc.

Mr. Hozef Abdulhussain Darukhanawala, 54 years, graduated in Commerce in the year 1978. He started his career in the year 1978 with Bombay Mercantile Cooperative Bank Limited from where he resigned as Branch in charge, after 13 years. He joined Samata Sahakari Bank Limited as Director and was then promoted to Executive Vice Chairman & Managing Director. He was associated with the Bank for 18 years.

He has over all 35 years of Banking experience, in the retail banking, micro finance.

He is the Promoter Director of Money Masters Leasing & Finance Ltd and handles day to day affairs of the Company.

COMPANY SECRETARY and COMPLIANCE OFFICER

Ms. Minakshi Muchhal
 Money Masters Leasing & Finance Limited
 4, Akash Deep, Ground Floor, TPS VI, Road No. 1, Milan Subway, Santacruz (West), Mumbai-400054
 Telefax: 022- 26103848, 26180202
 Email: ipo.moneymasters@gmail.com
 Website: <http://moneymasters.in/>

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

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

LEGAL ADVISOR TO THE ISSUE

V.Vasudev

1/1 B, IInd Floor, Backside, Jungpura-B
New Delhi-110014
Phone: 011-24377079
Email: v.vasudev83@gmail.com
Contact Person: V.Vasudev

BANKERS TO THE COMPANY

Bombay Mercantile Co-operative Bank Limited

Plot No.207, TPS IV, S. V. Road
Santacruz (W) Mumbai – 400 054.
Phone : 022-26496446 Fax : 022-26045050
Email: bmc.santacruz@yahoo.com
Contact Person: Mr. Raiz Khan & Javeed Parkar

LEAD MANAGER TO THE ISSUE

Sobhagya Capital Options Limited

B-206, Okhla Industrial Area, Phase-I
New Delhi-110020
Phone: +91-11-40777000
Fax: +91-11-40777069
Email: delhi@sobhagyacap.com
Website: www.sobhagyacapital.com
Contact Person: Mr. Heemadri Mukerjea and Ms. Archana Sharma
SEBI Registration No.: MB/INM000008571

REGISTRAR TO THE ISSUE

Universal Capital Securities Private Limited

Office: 21, Shakil Niwas, Opp Satya Saibaba Temple
Mahakali Caves Road, Andheri (East) Mumbai-400 093
Tel No.: + 91-22- 28207203-05
Fax No.: +91-22-28207207
Contact Person: Mr. Ravindra Utekar
Email id.: info@unisec.in
Website: www.unisec.in
SEBI Regn. No.: INR000004082

BANKERS TO THE ISSUE AND ESCROW COLLECTION BANKS

[•]

REFUND BANK

[•]

BROKERS TO THE ISSUE

All members of the recognized Stock Exchanges would be eligible to act as Brokers to the Issue.

SELF CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as an SCSB for the ASBA Process are provided on the website of SEBI. For details on designated branches of SCSBs collecting the ASBA Form, please refer to the SEBI link mentioned in the section 'Issue Related Terms' on page no. iii of this Draft Prospectus.

STATUTORY AUDITOR TO THE COMPANY

Meena N. Shetty & Company, Chartered Accountants

Office No 4, Ground Floor, Navjeevan Grih, Ground Floor
S V Road, Opposite Bharat Bank
Santacruz (West), Mumbai - 400054
Tel: 022-26151633, 26151743, 26193416; Fax: 022-26171951
Email: meenashetty.n@gmail.com
Contact Person: Meena N. Shetty

INDEPENDENT AUDITOR HAVING A VALID PEER REVIEW CERTIFICATE

B. Rattan & Associates

203, Plot No. 7, 2nd Floor, Aggarwal Plaza
LSC-1, Mixed Housing Complex, Mayur Vihar Phase-3
Delhi-110096
Tel: 011-22622960
Email: casushillal@gmail.com
Contact Person: B. K. Karn

B. Rattan & Associates holds a peer review certificate dated November 07, 2008 issued by the Institute of Chartered Accountants of India.

MARKET MAKER

As per Regulation 106(P) of the SEBI (ICDR) Regulations, 2009, Sobhagya Capital Options Limited, as the Lead Manager, will ensure compulsory Market Making in the manner specified by SEBI for a minimum period of three years from the date of listing of the Equity Shares of the Company.

The details of the Market Maker are as under:

BCB Brokerage Private Limited

1207-A, P. J. Towers
12th Floor, Dalal Street, Fort
Mumbai-400001
Tel: 022- 22722448/49/50; Fax: 022- 22722451
Email: ubagri@vsnl.com

BCB Brokerage Private Limited will act as the Market maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI (ICDR), Regulations, 2009.

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, 2009, and its amendments from time to time and the circulars issued by the BSE and SEBI regarding this matter from time to time.

Following is a summary of the key details pertaining to the Market Making arrangement:

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between the sell and the buy quote) shall not be more than 9% or as specified by the Stock Exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be Rs. 1 Lac. However, the investors with holdings less than 1 Lac shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker for the quotes given by him.
4. There would not be more than five Market Makers for a scrip at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.

5. The Market Maker(s) shall have the right to terminate its services by giving a three months notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of services of the above mentioned Market Maker prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations, 2009. Further the company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers not exceeding five or as specified by the relevant laws and regulations applicable at that particulars point of time.

NOMINATED INVESTOR

There are no Nominated Investors for this issue.

INTER-SE ALLOCATION OF RESPONSIBILITIES

Not Applicable

CREDIT RATING

This being a public issue of equity shares, no credit rating is required.

IPO GRADING

Since the Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, there is no requirement of appointing an IPO Grading agency.

EXPERTS

Except for the Statement of Tax Benefits dated May 18, 2013 by M/s Sushil Lal & Associates, Chartered Accountants and the Auditors' Report dated January 20, 2013, by Independent Peer Review Certified Auditor M/s B. Rattan & Associates, the Company has not obtained any expert opinions.

TRUSTEES

This being an issue of Equity shares, appointment of Trustees is not required.

MONITORING AGENCY

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 500 Crore. Since the Issue size is only of Rs. 2 Crore, our Company has not appointed any monitoring agency for this Issue. However, in case such an agency is appointed such agency shall file the monitoring report with the issuer company and not with SEBI, so as to enable the Company to place the report before its Audit committee.

Further, as per the Clause 52 of the SME Listing Agreement to be entered into with BSE upon listing of the equity shares and the corporate governance requirements, the audit committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

APPRAISER

The project has not been appraised by any external agency and is based upon Management Estimates

BOOK BUILDING PROCESS

This issue is not being made through the Book-Building Process

WITHDRAWAL OF THE ISSUE

The Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

- (i) The final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment; and
- (ii) The final ROC approval of the Prospectus after it is filed with the ROC.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

ISSUE PROGRAMME

| | |
|-----------------|-----|
| ISSUE OPENS ON | [•] |
| ISSUE CLOSES ON | [•] |

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays).

UNDERWRITING AGREEMENT

Our Company shall enter into an Underwriting Agreement before the opening of the issue with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the Lead Manager shall be responsible for bringing in the amount devolved in the event the issue remains undersubscribed. Pursuant to the terms of the proposed Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions, as specified therein. The Issue has been 100% underwritten.

The Underwriter has indicated its intention to underwrite the following number of Equity Shares:

| Name, Address, Telephone, Fax, and Email of the Underwriters | Indicative Number of Equity Shares to be Underwritten | Amount Underwritten (Rs. in lacs) | Percentage of the Total Issue Size Underwritten |
|--|--|--|--|
| Sobhagya Capital Options Limited Regd. Off.: B-206, Okhla Industrial Area, Phase- I, New Delhi- 110020. Tel. No.: +91-11-40777000 Fax No.: +91-11- 40777069 Email: delhi@sobhagyacap.com | 13,36,000 | 200.40 | 100% |

In the opinion of our Board of Directors, the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full.

CAPITAL STRUCTURE OF THE COMPANY

Share capital of our Company as at the date of filing of this Draft Prospectus with BSE is set forth below:

(Rs. in lacs, except share data)

| Share Capital | Aggregate Value at Face Value | Aggregate Value at Issue Price |
|--|-------------------------------|--------------------------------|
| (A) Authorized Share Capital | | |
| 45,00,000 Equity Shares of Rs.10 each | 450.00 | |
| 30,00,000 Preference Shares of Rs. 10 each | 300.00 | |
| (B) Issued, Subscribed and Paid-Up Capital before the Issue | | |
| 31,58,200 Equity Shares of Rs.10 each fully paid up | 315.82 | |
| 28,41,200 7% Cumulative Compulsorily Redeemable Preference Shares of Rs. 10 Each fully paid up | 284.12 | |
| (C) Present Issue in terms of the Draft Prospectus # | | |
| 13,36,000 Equity Shares of Rs.10 each fully paid up | 133.60 | 200.40 |
| Comprising of: | | |
| Market Maker Portion: 80,000 Equity Shares of Rs.10 each fully paid up | | |
| Net Issue to Public: 12,56,000 Equity Shares of Rs.10 each fully paid up | | |
| (D) Paid up Equity Capital after the Issue | | |
| 44,94,200 Equity Shares of Rs.10 each fully paid up | 449.42 | |
| 28,41,200 7% Cumulative Compulsorily Redeemable Preference Shares of Rs. 10 Each fully paid up | 284.12 | |
| (E) Securities Premium Account | | |
| Before the Issue | | 24.53 |
| After the Issue | | 91.33 |

The present Issue has been authorized by the Board of Directors pursuant to a resolution passed at its meeting held on October 25, 2012 and by the shareholders of the Company pursuant to a resolution dated November 20, 2012 under Section 81(1A) of the Companies Act.

For further details, please refer to the section titled "Issue Procedure" on page 132 of the Draft Prospectus.

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

The details of increase and change in authorized share capital of our Company after the date of incorporation till filling of the Draft Prospectus with BSE is as follows:

| Date of change | Nature of increase/change | Number of Shares | Face Value | Nature of Instrument | Cumulative authorized Share Capital (In Rs. Lacs) |
|----------------|---------------------------|------------------|------------|----------------------|---|
| Incorporation | Initial Capital | 50000 | 10 | Equity | 5 |

| | | | | | |
|-----------|--|---------|-----|------------|-----|
| 13-Oct-95 | Increase in Authorized Share Capital (Increase in Equity Share Capital by Rs. 95 Lacs divided into 9.5 Lac Equity Shares of Rs. 10 each) | 950000 | 10 | Equity | 100 |
| 12-Sep-98 | Increase in Authorized Share Capital (Increase in Equity Share Capital by Rs. 200 Lacs divided into 20 Lac Equity Shares of Rs. 10 each) | 2000000 | 10 | Equity | 300 |
| 29-Sep-01 | Increase in Authorized Share Capital (Increase in Preference Share Capital by Rs. 200 Lacs divided into 2 Lac Preference Shares of Rs. 100 each) | 200000 | 100 | Preference | 500 |
| 15-Mar-10 | Reorganisation of Authorised Share Capital. (The existing Authorized Capital of Rs. 500 Lacs divided into 30 Lacs Equity Shares of Rs. 10 each and 2 Lac Preference Shares of Rs. 100 each was reclassified as Rs. 500 Lacs divided into 50 Lac Equity Shares of Rs. 10 each) | 5000000 | 10 | Equity | 500 |
| 1-Mar-11 | Reorganisation of Authorised Share Capital. (The existing Authorized Capital of Rs. 500 Lacs divided into 50 Lac Equity Shares of Rs. 10 each was reclassified as 40 Lacs Equity Shares of Rs. 10 each and 10 Lac Preference Shares of Rs. 10 each) | 4000000 | 10 | Equity | 500 |
| | | 1000000 | 10 | Preference | |
| 30-Sep-11 | Increase in Authorized Share Capital (Increase in Preference Share Capital by Rs. 200 Lacs divided into 20 Lacs Preference Shares of Rs. 10 each) | 2000000 | 10 | Preference | 700 |

| | | | | | |
|-------------|---|---------|----|------------|-----|
| 20-Nov-12 | Reorganisation and Increase in the Authorised Share Capital | 5200000 | 10 | Equity | 740 |
| | (The existing Authorized Capital of Rs. 700 Lacs divided into 40 Lac Equity Shares of Rs. 10 each and 30 Lac Preference Shares of Rs. 10 each was reclassified as 48 Lacs Equity Shares of Rs. 10 each and 22 Lac Preference Shares of Rs. 10 each. Further, Increase in Equity Share Capital by Rs. 40 Lacs divided into 4 Lac Equity Shares of Rs. 10 each) | 2200000 | 10 | Preference | |
| 25-Mar-13 | Reorganisation of Authorised Share Capital. | 4400000 | 10 | Equity | 740 |
| | (The existing Authorized Capital of Rs. 740 Lacs divided into 52 Lac Equity Shares of Rs. 10 each and 22 Lac Preference Shares of Rs. 10 each was reclassified as 44 Lacs Equity Shares of Rs. 10 each and 30 Lac Preference Shares of Rs. 10 each) | 3000000 | 10 | Preference | |
| 05-April-13 | Increase in Authorized Share Capital (Increase in Equity Share Capital by Rs. 10 Lacs divided into 1 Lac Equity Shares of Rs. 10 each) | 100000 | 10 | Equity | 750 |

Notes to Capital Structure:

1. Details of the existing share capital of our Company

(A) Equity

| Date of Allotment of Shares | Number of Shares | Type of Shares | Face Value (Rs.) | Issue Price (Rs.) | Nature of Payment | Nature of Issue and reason of allotment | Cumulative No. of Equity Shares | Cumulative Equity paid up share capital (Rs. in Lacs) | Cumulative share premium (Rs. in Lacs) |
|---------------------------------|------------------|----------------|------------------|-------------------|-------------------|---|---------------------------------|---|--|
| Incorporation, October 26, 1994 | 1500 | Equity | 10 | 10 | Cash | Initial Allotment | 1500 | 0.15 | 0 |
| 12-Mar-95 | 41800 | Equity | 10 | 10 | Cash | Preferential Allotment | 43300 | 4.33 | 0 |

| | | | | | | | | | |
|-----------|--------|--------|----|----|------|------------------------|---------|--------|--------|
| 22-Dec-95 | 613750 | Equity | 10 | 10 | Cash | Preferential Allotment | 657050 | 65.71 | 0 |
| 21-Sep-96 | 106000 | Equity | 10 | 10 | Cash | Preferential Allotment | 763050 | 76.31 | 0 |
| 27-Mar-97 | 49000 | Equity | 10 | 10 | Cash | Preferential Allotment | 812050 | 81.21 | 0 |
| 9-Oct-97 | 100000 | Equity | 10 | 10 | Cash | Preferential Allotment | 912050 | 91.21 | 0 |
| 28-Mar-98 | 21350 | Equity | 10 | 10 | Cash | Preferential Allotment | 933400 | 93.34 | 0 |
| 9-Mar-99 | 181500 | Equity | 10 | 10 | Cash | Preferential Allotment | 1114900 | 111.49 | 0 |
| 27-Mar-04 | 70000 | Equity | 10 | 10 | Cash | Preferential Allotment | 1184900 | 118.49 | 0 |
| 20-Nov-04 | 23000 | Equity | 10 | 10 | Cash | Preferential Allotment | 1207900 | 120.79 | 0 |
| 1-Mar-06 | 300000 | Equity | 10 | 10 | Cash | Preferential Allotment | 1507900 | 150.79 | 0 |
| 10-Feb-07 | 190000 | Equity | 10 | 10 | Cash | Preferential Allotment | 1697900 | 169.79 | 0 |
| 31-Mar-07 | 100000 | Equity | 10 | 10 | Cash | Preferential Allotment | 1797900 | 179.79 | 0 |
| 29-Mar-08 | 500000 | Equity | 10 | 10 | Cash | Preferential Allotment | 2297900 | 229.79 | 0 |
| 15-Mar-09 | 100000 | Equity | 10 | 10 | Cash | Preferential Allotment | 2397900 | 239.79 | 0 |
| 31-Mar-09 | 224600 | Equity | 10 | 10 | Cash | Preferential Allotment | 2622500 | 262.25 | 0 |
| 31-Mar-09 | 19450 | Equity | 10 | 10 | Cash | Preferential Allotment | 2641950 | 264.20 | 0 |
| 15-Jun-09 | 20000 | Equity | 10 | 10 | Cash | Preferential Allotment | 2661950 | 266.20 | 0 |
| 15-Sep-09 | 161000 | Equity | 10 | 10 | Cash | Preferential Allotment | 2822950 | 282.30 | 0 |
| 1-Dec-09 | 90000 | Equity | 10 | 10 | Cash | Preferential Allotment | 2912950 | 291.30 | 0 |
| 31-Mar-10 | 152500 | Equity | 10 | 20 | Cash | Preferential Allotment | 3065450 | 306.55 | 15.25 |
| 30-Sep-10 | 92750 | Equity | 10 | 20 | Cash | Preferential Allotment | 3158200 | 315.82 | 24.525 |

(B) Preference

| 7% Cumulative Compulsorily Redeemable Preference Shares | | | | | | | | | |
|---|------------------|---|------------------|-------------------|-------------------|---|-------------------------------------|---|--|
| Date of Allotment of Shares | Number of Shares | Type of Shares | Face Value (Rs.) | Issue Price (Rs.) | Nature of Payment | Nature of Issue and reason of allotment | Cumulative No. of Preference Shares | 7% Cumulative Compulsorily Redeemable Preference Shares (Rs. in Lacs) | Cumulative share premium (Rs. in Lacs) |
| 31-Mar-11 | 311200 | 7% Cumulative Compulsorily Redeemable Preference Shares | 10 | 10 | Cash | Preferential Allotment | 311200 | 31.12 | 0 |

| | | | | | | | | | |
|-----------|---------|---|----|----|------------|------------------------|---------|--------|------|
| 30-Sep-11 | 1094500 | 7% Cumulative Compulsorily Redeemable Preference Shares | 10 | 10 | Cash | Preferential Allotment | 1405700 | 140.57 | 0.00 |
| 30-Nov-11 | 633500 | 7% Cumulative Compulsorily Redeemable Preference Shares | 10 | 10 | Cash | Preferential Allotment | 2039200 | 203.92 | 0.00 |
| 08-Aug-12 | (40000) | 7% Cumulative Compulsorily Redeemable Preference Shares | 10 | 10 | Redemption | Redemption | 1999200 | 199.92 | 0.00 |
| 01-Oct-12 | 80000 | 7% Cumulative Compulsorily Redeemable Preference Shares | 10 | 10 | Cash | Preferential Allotment | 2079200 | 207.92 | 0.00 |
| 30-Mar-13 | 762000 | 7% Cumulative Compulsorily Redeemable Preference Shares | 10 | 10 | Cash | Preferential Allotment | 2841200 | 284.12 | 0.00 |

2. **Details of Equity shares allotted in the one year preceding the date of filing of the Draft Prospectus with BSE**
Nil

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

4. At present we do not have any proposals or intentions, negotiations and considerations to alter the capital structure by way of split or consolidation of the denomination of the shares, or issue of Equity Shares on a preferential basis or issue of bonus or rights or further public issue of Equity Shares or qualified institutions placement, within a period of six months from the date of opening of the present issue.

5. **Details of Shareholding of the Promoters**

| Date of Allotment/ Acquisition | Nature of Issue & reason for allotment | No. of Equity Shares | Face Value (Rs.) | Issue/ acquisition Price (Rs.) | Consideration | Date when the shares were made fully paid up | Percentage of Pre Issue capital | Percentage of Post Issue capital | Lock in period, if any as per terms of issue | Number of Pledged shares | Percentage of Pledged shares to Total Pre issue Holding |
|---|--|----------------------|------------------|--------------------------------|---------------|--|---------------------------------|----------------------------------|--|--------------------------|---|
| Mr. Hozef Abdhussain Darukhanawala | | | | | | | | | | | |
| 12-Mar-95 | Further Issue of Shares | 500 | 10 | 10 | Cash | The shares were issued as fully paid up shares | 0.02% | 0.01% | Nil | 0 | 0.00% |

| | | | | | | | | | | | |
|--------------|---------------------------|----------------|----|----|------|--|---------------|---------------|-----|---|-------|
| 27-Mar-97 | Acquired through Transfer | 29700 | 10 | 10 | Cash | The shares were issued as fully paid up shares | 0.94% | 0.66% | Nil | 0 | 0.00% |
| 9-Mar-99 | Further Issue of Shares | 9000 | 10 | 10 | Cash | The shares were issued as fully paid up shares | 0.28% | 0.20% | Nil | 0 | 0.00% |
| 1-Sep-07 | Acquired through Transfer | 321000 | 10 | 4 | Cash | The shares were issued as fully paid up shares | 10.16% | 7.14% | Nil | 0 | 0.00% |
| 28-Jun-10 | Acquired through Transfer | 230000 | 10 | 13 | Cash | The shares were issued as fully paid up shares | 7.28% | 5.12% | Nil | 0 | 0.00% |
| 30-Sep-10 | Acquired through Transfer | 495000 | 10 | 13 | Cash | The shares were issued as fully paid up shares | 15.67% | 11.01% | Nil | 0 | 0.00% |
| 1-Aug-12 | Acquired through Transfer | 61000 | 10 | 12 | Cash | The shares were issued as fully paid up shares | 1.93% | 1.36% | Nil | 0 | 0.00% |
| 1-Oct-12 | Acquired through Transfer | 51850 | 10 | 12 | Cash | The shares were issued as fully paid up shares | 1.64% | 1.15% | Nil | 0 | 0.00% |
| Total | | 1198050 | | | | | 37.93% | 26.66% | Nil | 0 | 0.00% |

| Date of Allotment/ Acquisition | Nature of Issue & reason for allotment | No. of Equity Shares | Face Value (Rs.) | Issue/ acquisition Price (Rs.) | Consideration | Date when the shares were made fully paid up | Percentage of Pre Issue capital | Percentage of Post Issue capital | Lock in period, if any as per terms of issue | Number of Pledged shares | Percentage of Pledged shares to Total Pre issue Holding |
|--|--|----------------------|------------------|--------------------------------|---------------|--|---------------------------------|----------------------------------|--|--------------------------|---|
| Mrs. Durrifa Hozefa Darukhanawala | | | | | | | | | | | |
| Incorporation | Initial Allotment | 500 | 10 | 10 | Cash | The shares were issued as fully paid up shares | 0.02% | 0.01% | Nil | 0 | 0.00% |
| 12-Mar-95 | Further Issue of Shares | 18300 | 10 | 10 | Cash | The shares were issued | 0.58% | 0.41% | Nil | 0 | 0.00% |

| | | | | | | | | | | | |
|--------------|---------------------------|---------------|----|----|------|--|---------------|--------------|-----|---|-------|
| | | | | | | as fully paid up shares | | | | | |
| 27-Mar-97 | Acquired through Transfer | 21500 | 10 | 10 | Cash | The shares were issued as fully paid up shares | 0.68% | 0.48% | Nil | 0 | 0.00% |
| 20-Nov-04 | Further Issue of Shares | 4000 | 10 | 10 | Cash | The shares were issued as fully paid up shares | 0.13% | 0.09% | Nil | 0 | 0.00% |
| 1-Sep-07 | Acquired through Transfer | 249000 | 10 | 4 | Cash | The shares were issued as fully paid up shares | 7.88% | 5.54% | Nil | 0 | 0.00% |
| 31-Mar-10 | Further Issue of Shares | 50000 | 10 | 20 | Cash | The shares were issued as fully paid up shares | 1.58% | 1.11% | Nil | 0 | 0.00% |
| 28-Jun-10 | Acquired through Transfer | 92000 | 10 | 13 | Cash | The shares were issued as fully paid up shares | 2.91% | 2.05% | Nil | 0 | 0.00% |
| 30-Sep-10 | Acquired through Transfer | 8000 | 10 | 13 | Cash | The shares were issued as fully paid up shares | 0.25% | 0.18% | Nil | 0 | 0.00% |
| Total | | 443300 | | | | | 14.04% | 9.86% | Nil | 0 | 0.00% |

6. Details of the aggregate shareholding of the promoter group

| Name | Shareholding in Money Masters Leasing & Finance Limited (In Nos.) |
|----------------------------------|---|
| Promoters Group | |
| Promoters | |
| Hozef Abdulhussain Darukhanawala | 11,98,050 |
| Durriya Hozefa Darukhanawala | 4,43,300 |
| Sub Total | 16,41,350 |
| Relatives of Promoters | |
| Fatema Darukhanawala | 85,000 |
| Zainab Darukhanawala | 64,750 |
| Sub Total | 1,49,750 |
| Grand Total | 17,91,100 |

7. The following are the instances of sale or purchase of the Equity Shares by the Promoter Group and/or the Directors of the Company which is a Promoter of the Issuer and/or by the Directors of The Issuer and their immediate relatives within six months immediately preceding the date of filing draft offer document with the BSE.

Shares transferred by the Promoters

| S. No. | Name of Transferor | No. of Equity Shares | Transfer Date | Face Value (Rs.) | Transfer Value (Rs.) | Consideration | Transferee |
|--------|--|----------------------|----------------|------------------|----------------------|---------------|----------------------|
| 1 | Arwa Sadriwala jointly with Durriya Hozefa Darukhanawala | 2200 | April 15, 2013 | 10 | Nil | Nil | Arwa Sadriwala |
| 2 | Maimoona Cutlerywala jointly with Durriya Hozefa Darukhanawala | 2500 | April 15, 2013 | 10 | Nil | Nil | Maimoona Cutlerywala |

8. Details of the maximum and minimum price at which purchases and sales referred to above were made, along with the relevant dates.
Not Applicable
9. Details of all financing arrangements whereby the Promoter Group, the Directors of the Company which is a Promoter of The Issuer, the Directors of The Issuer and their relatives have financed the purchase by any other person of securities of The Issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Prospectus.
Nil

10. **Promoters' Contribution**

Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, an aggregate of 20% of the fully diluted post-Issue paid up capital of our Company held by the Promoters shall be locked in for a period of three years from the date of Allotment of Equity Shares in the Issue.

The Promoter contribution that will be locked in for three years is as follows.

The following shares of Mr. Hozef Abdulhussain Darukhanawala that make up 20% of the post issue capital shall be locked in for a period of 3 years from the date of allotment of Equity Shares pursuant to the proposed issue and the rest of the shareholding Promoters holding shall be put under a lock-in of 1 year.

| Date of Allotment/ Acquisition | Date when the shares were made fully paid up | Nature of Issue & reason for allotment | No. of Equity Shares | Face Value (Rs.) | Issue/ acquisition Price (Rs.) | Percentage of Pre Issue capital | Percentage of Post Issue capital | Date upto which the Equity Shares are subject to Lock-in |
|--------------------------------|--|--|----------------------|------------------|--------------------------------|---------------------------------|----------------------------------|---|
| 01-Sep-07 | The shares were issued as fully paid up shares | Acquired through Transfer | 173840 | 10 | 4 | 5.50% | 3.87% | 3 years from the date of allotment of Equity Shares pursuant to the |
| 28-Jun-10 | The shares were issued as fully paid up shares | Acquired through Transfer | 230000 | 10 | 13 | 7.28% | 5.12% | |

| | | | | | | | | |
|--------------|--|---------------------------|---------------|----|----|--------|--------|----------------|
| 30-Sep-10 | The shares were issued as fully paid up shares | Acquired through Transfer | 495000 | 10 | 13 | 15.67% | 11.01% | proposed issue |
| Total | | | 898840 | | | 28.46% | 20.00% | |

The minimum Promoter's contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI (ICDR) Regulations, 2009. The Company has obtained specific written consent from the Promoter for inclusion of the Equity Shares held by them in the minimum Promoters' contribution subject to lock-in. Further, the Promoter has given an undertaking to the effect that it shall not sell/transfer/dispose of in any manner, Equity Shares forming part of the minimum Promoters' contribution from the date of filing this Draft Prospectus till the date of commencement of lock-in as per the SEBI (ICDR) Regulations, 2009.

Equity Shares held by the Promoter and offered as minimum Promoters' contribution are free from pledge.

- ✓ All the Equity Shares which have been locked in are not ineligible for computation of Promoters' contribution under Regulation 33 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- ✓ The entire share capital outstanding as on the date of filing of Draft Prospectus except minimum Promoter contribution which has been locked in for three years as shown above would be locked in for one year from the date of allotment in the Issue.
- ✓ In terms with Regulation 36 (b) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, if the Promoters' contribution in the proposed issue exceeds the required minimum contribution (of 20% of the post issue capital), such excess contribution shall also be locked in for a period of one year.
- ✓ The Promoters have vide their letter dated May 27, 2013 given their consent for lock in as stated above. Equity Shares issued last shall be locked in first. The entire pre-issue capital, other than the minimum Promoters contribution, which is locked in for three years shall be locked in for a period of one year. The lock-in shall start from the date of allotment in the Issue and the last date of the lock-in shall be reckoned as three years from the date of allotment in the Issue.
- ✓ In terms of Regulation 39 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, Equity Shares held by promoters and locked-in may be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution, subject to the following:
 - (a) if the Equity Shares are locked-in in terms of clause (a) of regulation 36, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the issue and pledge of Equity Shares is one of the terms of sanction of the loan;
 - (b) if the Equity Shares are locked-in in terms of clause (b) of regulation 36 and the pledge of Equity Shares is one of the terms of sanction of the loan.
- ✓ In terms of Regulation 40 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, subject to the provisions of Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 2011, the Equity Shares held by promoters and locked-in as per regulation 36 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 may be transferred to another promoter or any person of the promoter group or a new promoter or a person in control of the issuer and the Equity Share held by persons other than promoters and locked-in as per regulation 37 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 may be transferred to any other person holding the Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, provided that lock-in on such Equity Shares shall continue for the remaining period with the transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated in these regulations has expired.

11. Buy-back and Standby arrangements

The Company, its Promoters and Promoters Group, its Directors and the Lead Managers have not entered into any buy back arrangements for purchase of the Equity Shares of the Company from any person.

12. An over-subscription to the extent of ten percent of the issue can be retained for the purpose of rounding off to the nearer multiple of minimum allotment lot.

13. All the Equity Shares offered through the issue shall be fully paid-up.

14. The unsubscribed portion in any reserved category may be added to any other reserved category.

15. In case of under-subscription in the issue, spill-over to the extent of under subscription shall be permitted from the reserved category.

16. Pre and Post-Issue Shareholding Pattern of our Company:

PRE-ISSUE

| Category Code | Category of Shareholder | Number of Shareholders | Total number of shares | Number of shares held in dematerialized form | Total shareholding as a percentage of total number of shares | | Shares Pledged or otherwise encumbered | |
|---------------|---|------------------------|------------------------|--|--|----------------------------|--|-----------------------|
| | | | | | As a percent age of (A+B) ¹ | As a percentage of (A+B+C) | Number of shares | As a percentage |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) | (VIII) | (IX)=(VIII)/(IV)* 100 |
| (A) | Shareholding of Promoter and Promoter Group² | | | | | | | |
| 1 | Indian | | | | | | | |
| (a) | Individuals/ Hindu Undivided Family | 4 | 1791100 | 0 | 56.71 | 56.71 | | 0.00 |
| (b) | Central Government/ State Government(s) | | 0 | 0 | 0.00 | 0.00 | | 0.00 |
| (c) | Bodies Corporate | 0 | 0 | 0 | 0.00 | 0.00 | | 0.00 |
| (d) | Financial Institutions/ Banks | 0 | 0 | 0 | 0.00 | 0.00 | | 0.00 |
| (e) | Any Others(Specify) | 0 | 0 | 0 | 0.00 | 0.00 | | 0.00 |
| | Sub Total(A)(1) | 4 | 1791100 | 0 | 56.71 | 56.71 | 0 | 0.00 |
| 2 | Foreign | | | | | | | |
| a | Individuals (Non-Residents Individuals/ Foreign Individuals) | | 0 | 0 | 0.00 | 0.00 | | 0.00 |
| b | Bodies Corporate | | 0 | 0 | 0.00 | 0.00 | | 0.00 |
| c | Institutions | | 0 | 0 | 0.00 | 0.00 | | 0.00 |
| d | Qualified Foreign Investor | | 0 | 0 | 0.00 | 0.00 | | 0.00 |
| e | Any Others(Specify) | | 0 | 0 | 0.00 | 0.00 | | 0.00 |
| | Sub Total(A)(2) | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2) | 4 | 1791100 | 0 | 56.71 | 56.71 | 0 | 0.00 |
| (B) | Public shareholding | | | | | | | |
| 1 | Institutions | | | | | | | |
| (a) | Mutual Funds/ UTI | | 0 | 0 | 0.00 | 0.00 | | |
| (b) | Financial Institutions/ Banks | | 0 | 0 | 0.00 | 0.00 | | |
| (c) | Central Government/ State Government(s) | | 0 | 0 | 0.00 | 0.00 | | |

| | | | | | | | | |
|------------|---|------------|----------------|----------|---------------|---------------|----------|-------------|
| (d) | Venture Capital Funds | | 0 | 0 | 0.00 | 0.00 | | |
| (e) | Insurance Companies | | 0 | 0 | 0.00 | 0.00 | | |
| (f) | Foreign Institutional Investors | | 0 | 0 | 0.00 | 0.00 | | |
| (g) | Foreign Venture Capital Investors | | 0 | 0 | 0.00 | 0.00 | | |
| (h) | Qualified Foreign Investor | | 0 | 0 | 0.00 | 0.00 | | |
| (i) | Any Other (specify) | | 0 | 0 | 0.00 | 0.00 | | |
| | Sub-Total (B)(1) | 0 | 0 | 0 | 0.00 | 0.00 | | |
| B 2 | Non-institutions | | | | | | | |
| (a) | Bodies Corporate | 6 | 50000 | 0 | 1.58 | 1.58 | | |
| (b) | Individuals | | 0 | 0 | 0.00 | 0.00 | | |
| I | Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh | 85 | 214050 | 0 | 6.78 | 6.78 | | |
| II | ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh. | 22 | 1103050 | 0 | 34.93 | 34.93 | | |
| (c) | Qualified Foreign Investor | | 0 | 0 | 0.00 | 0.00 | | |
| (d) | Any Other (specify) | | | | | | | |
| (d-i) | Clearing Members | 0 | 0 | 0 | 0.00 | 0.00 | | |
| (d-ii) | NRI / OCBs | 0 | 0 | 0 | 0.00 | 0.00 | | |
| (d-iii) | Other Category | 0 | 0 | 0 | 0.00 | 0.00 | | |
| | Sub-Total (B)(2) | 113 | 1367100 | 0 | 43.29 | 43.29 | | |
| (B) | Total Public Shareholding (B)= (B)(1)+(B)(2) | 113 | 1367100 | 0 | 43.29 | 43.29 | | |
| | TOTAL (A)+(B) | 117 | 3158200 | 0 | 100.00 | 100.00 | | |
| (C) | Shares held by Custodians and against which Depository Receipts have been issued | | | | | | | |
| 1 | Promoter and Promoter Group | | | | | 0.00 | | 0.00 |
| 2 | Public | | | | | 0.00 | | |
| | Sub-Total (C) | 0 | 0 | 0 | | 0 | 0 | |
| | GRAND TOTAL (A)+(B)+(C) | 117 | 3158200 | 0 | | 100.00 | 0 | 0.00 |

POST-ISSUE

| Category Code | Category of Shareholder | Number of Shareholders | Total number of shares | Number of shares held in dematerialized form | Total shareholding as a percentage of total number of shares | | Shares Pledged or otherwise encumbered | |
|---------------|--|------------------------|------------------------|--|--|----------------------------|--|-----------------------|
| | | | | | As a percent age of (A+B) ¹ | As a percentage of (A+B+C) | Number of shares | As a percentage |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) | (VIII) | (IX)=(VIII)/(I V)*100 |
| (A) | Shareholding of Promoter and Promoter Group² | | | | | | | |
| 1 | Indian | | | | | | | |
| (a) | Individuals/ Hindu Undivided Family | 4 | 1791100 | 0 | 39.85 | 39.85 | | 0.00 |

| | | | | | | | | |
|------------|---|----------|----------------|----------|---------------|---------------|----------|-------------|
| (b) | Central Government/ State Government(s) | | 0 | 0 | 0.00 | 0.00 | | 0.00 |
| (c) | Bodies Corporate | 0 | 0 | 0 | 0.00 | 0.00 | | 0.00 |
| (d) | Financial Institutions/ Banks | 0 | 0 | 0 | 0.00 | 0.00 | | 0.00 |
| (e) | Any Others(Specify) | 0 | 0 | 0 | 0.00 | 0.00 | | 0.00 |
| | Sub Total(A)(1) | 4 | 1791100 | 0 | 39.85 | 39.85 | 0 | 0.00 |
| 2 | Foreign | | | | | | | |
| a | Individuals (Non- Residents Individuals/ Foreign Individuals) | | 0 | 0 | 0.00 | 0.00 | | 0.00 |
| b | Bodies Corporate | | 0 | 0 | 0.00 | 0.00 | | 0.00 |
| c | Institutions | | 0 | 0 | 0.00 | 0.00 | | 0.00 |
| d | Qualified Foreign Investor | | 0 | 0 | 0.00 | 0.00 | | 0.00 |
| e | Any Others(Specify) | | 0 | 0 | 0.00 | 0.00 | | 0.00 |
| | Sub Total(A)(2) | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2) | 4 | 1791100 | 0 | 39.85 | 39.85 | 0 | 0.00 |
| (B) | Public shareholding | | | | | | | |
| (B) | Total Public Shareholding (B) | - | 2703100 | 0 | 60.15 | 60.15 | | |
| | TOTAL (A)+(B) | - | 4494200 | 0 | 100.00 | 100.00 | | |
| (C) | Shares held by Custodians and against which Depository Receipts have been issued | | | | | | | |
| 1 | Promoter and Promoter Group | | | | | 0.00 | | 0.00 |
| 2 | Public | | | | | 0.00 | | |
| | Sub-Total (C) | 0 | 0 | 0 | | 0 | 0 | |
| | GRAND TOTAL (A)+(B)+(C) | - | 4494200 | 0 | | 100.00 | 0 | 0.00 |

17. A list of top ten shareholders of the Company and the number of Equity Shares held by them is as under

a.) As on the date of the Draft Prospectus

| Name of Shareholders | Number of shares | % of Total paid up Equity Share Capital |
|----------------------------------|-----------------------------|--|
| Hozef Abdulhussain Darukhanawala | 1198050 | 37.93% |
| Durriya Hozefa Darukhanawala | 443300 | 14.04% |
| Ken Ghosh | 300000 | 9.50% |
| Huseini Dadla | 105000 | 3.32% |
| Meena Sadavarte | 100000 | 3.17% |
| Tasneem Lakdawala | 92000 | 2.91% |
| Fatema Darukhanawala | 85000 | 2.69% |
| Zainab Darukhanawala | 64750 | 2.05% |
| Vivek Sadavarte | 51000 | 1.61% |
| Durriya Merchant | 50000 | 1.58% |
| Total | 2489100 | 78.81% |

b.) Ten days prior to the date of this Draft Prospectus

| Name of Shareholders | Number of shares | % of Total paid up Equity Share Capital |
|----------------------------------|-------------------------|--|
| Hozef Abdulhussain Darukhanawala | 1198050 | 37.93% |
| Durriya Hozefa Darukhanawala | 443300 | 14.04% |
| Ken Ghosh | 300000 | 9.50% |
| Huseini Dadla | 105000 | 3.32% |
| Meena Sadavarte | 100000 | 3.17% |
| Tasneem Lakdawala | 92000 | 2.91% |
| Fatema Darukhanawala | 85000 | 2.69% |
| Zainab Darukhanawala | 64750 | 2.05% |
| Vivek Sadavarte | 51000 | 1.61% |
| Durriya Merchant | 50000 | 1.58% |
| Total | 2489100 | 78.81% |

c.) Two years prior to the date of this Draft Prospectus

| Name of Shareholders | Number of shares | % of Total paid up Equity Share Capital |
|----------------------------------|-------------------------|--|
| Hozef Abdulhussain Darukhanawala | 1085200 | 34.36% |
| Durriya Hozefa Darukhanawala | 443300 | 14.04% |
| Ken Ghosh | 300000 | 9.50% |
| Huseini Dadla | 105000 | 3.32% |
| Meena Sadavarte | 100000 | 3.17% |
| Tasneem Lakdawala | 92000 | 2.91% |
| Fatema Darukhanawala | 85000 | 2.69% |
| Zainab Darukhanawala | 64750 | 2.05% |
| Vivek Sadavarte | 51000 | 1.61% |
| Durriya Merchant | 50000 | 1.58% |
| Total | 2376250 | 75.24% |

18. The details of shareholding, if any, of the Lead Managers and their associates in the Company.
Nil
19. There are no options granted or equity shares issued under any scheme of employee stock option or employee stock purchase of the Company.
20. The Company has not raised any bridge loan against the proceeds of the Issue.
21. As on the date of filing the Draft Prospectus with BSE, there are no outstanding financial instruments or any other right, which would entitle the Promoters or shareholders or any other person any option to receive equity shares after the Issue. The Company does not have any shares to be allotted, which are outstanding under ESOPs.
22. We have not issued any Equity Shares out of revaluation reserve or reserves without accrual of cash resources.
23. At any given point of time there shall be only one denomination of Equity Shares of our Company, unless otherwise permitted by law. The Company shall comply with such disclosures and accounting norms specified by SEBI from time to time.
24. An Applicant cannot make an application for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
25. Our Company has 117 shareholders as on the date of this Draft Prospectus.

26. The Company, the Directors, the Promoter or the Promoter Group shall not make any, direct or indirect, payments, discounts, commissions or allowances under this Issue, except as disclosed in this Draft Prospectus.
27. The Equity Shares held by the Promoter are not subject to any pledge.
28. None of the Directors or key managerial personnel holds Equity Shares in the Company except as stated in the section titled "Our Management" on page 63 of this Draft Prospectus.
29. As per the RBI regulations, OCBs are not allowed to participate in the Issue.

Note: The names of shareholders as mentioned throughout the Draft Prospectus are the names of first holders only. There are instances of joint shareholding in certain cases. It is clarified that the members of the Promoter Group are not having any joint shareholding with public shareholder.

SECTION IV- PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The net proceeds of the Issue, after deducting the underwriting and issue management fees, selling commission and other expenses associated with the Issue (the "**Net Proceeds of the Issue**"), are estimated to be approximately Rs. 155.40 Lacs.

A) OBJECTS OF THE ISSUE

The Net Proceeds of the Issue are proposed to be utilised by the Company for the following objects:

1. To augment our capital base and provide for our fund requirements for increasing our Asset Financing Operations; and
2. To meet the expenses of the issue.

Net proceeds of the issue are summarized below in the table:

| (Rs in Lacs) | | |
|--------------|----------------------------------|---------------|
| S. No. | Particulars | Amount |
| I | Gross Issue Proceeds | 200.40 |
| II | Expenses of the Issue | 45.00 |
| | Net Proceeds of the Issue | 155.40 |

DETAILS OF THE UTILISATION OF ISSUE PROCEEDS:

1. To augment our capital base and provide for our fund requirements for increasing our Asset Financing Operations

Our Company is registered as a deposit taking Non Banking Finance Company with the Reserve Bank of India, under Section 45IA of the Reserve Bank of India Act, 1934. The Company is primarily engaged in financing of assets and is carrying on as its principal business, the financing of physical assets supporting productive/economic activity. The Company provides Asset Finance on Hire Purchase basis for purchase of wealth generating assets. We provide Asset Finance on Hire Purchase basis to various Small Scale Industries, Traders, Transport Operators, Auto-Rickshaw & Taxi Operators and also provides Computer and Equipment Finance. The details of Asset Finance on Hire Purchase basis as on December 31, 2012 are as follows:

| Asset Class | Amount financed (as at December 31, 2012) |
|--------------------------------|--|
| Equipments | 3,83,27,153 |
| Auto Rickshaws | 3,34,20,685 |
| Industrial Machinery and Tools | 1,14,83,171 |
| Computers | 73,45,347 |
| Cars | 56,43,655 |
| Total | 9,62,20,011 |

The Company is engaged in financing of Auto Rickshaws, Cars, Industrial Machinery, Equipments etc. which helps in providing initial support and capital requirements to the Small Scale Industries and budding and small entrepreneurs. Over a period the Company has built up a strong reputation of trust and integrity while serving many customers by offering expert advices on their financial needs. The Company in future intends increase its operations and continue to provide finance to individuals, small businessmen and to small scale industries in order to cater to their needs and thereby assist in development at the grass root sector.

Financing of Industrial Machinery, Tools and Equipment

The Company provides finance for purchase of industrial machinery, tools and equipments to the budding entrepreneurs and small scale industries. Major portion of this type of finance is provided to small corporate entities. With the development of the economic condition of India, the Company foresees increase in finance for purchase of industrial machinery and tools.

Financing of Auto Rickshaws

The Company has till date financed approximately 3,000 Auto Rickshaws. On an average the Company finances around 200 Auto Rickshaws in a year. The Company intends to increase its penetration and increase the number of Auto Rickshaws financed by it.

Computer Finance

The Company provides computer finance to Individuals as well as small scale industries. The Computer finance segment of the Company comprises of 7.63% of its total Asset Finance portfolio as on December 31, 2012.

Car Finance

This type of finance is provided by the Company generally to the individuals. In the recent years, there has been increase in the consumption power of the individuals and due to this reason the segment pertaining to Car Financing is set to rise. The Company seeks to increase the finance provided under this segment.

Other Secured Loans

Apart from the loans as detailed above, the Company also provides other secured loans.

We intend to utilise the net issue proceeds of Rs. 155.40 Lacs to augment our capital base to provide Funds for increasing our Asset Finance Operations.

2. To meet the expenses of the Issue

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated expenses of the Issue are as follows:

| Activity | Expense (in Rs. Lacs)* | Percentage of Issue Expenses* | Percentage of the Issue size* |
|---|------------------------|-------------------------------|-------------------------------|
| Payment to Merchant Banker, market making fees, selling commissions, Underwriting, SCSB commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars, Bankers, etc. and other out of pocket expenses | 35.00 | 77.78 | 17.47 |
| Advertisement and Marketing expenses | 4.00 | 8.89 | 2.00 |
| Printing and Stationery (including courier and transportation charges) | 4.00 | 4.44 | 2.00 |
| Others (Processing fees, listing fee, Corporate Action charges etc) | 2.00 | 4.44 | 1.00 |
| Total Estimated Issue expenses | 45.00 | | 22.47 |

B) REQUIREMENT OF FUNDS:

The fund requirement and deployment are based upon Management estimates.

| Sl. No. | Particulars | Amount (In Rs. Lacs.) |
|--------------|--|-----------------------|
| 1. | To augment our capital base and provide for our fund requirements for increasing our Asset Financing Operations. | 155.40 |
| 2. | To meet the expenses of the issue | 45.00 |
| Total | | 200.40 |

The Objects Clause of the Memorandum and Articles of Association of the Company enable it to undertake the activities for which the funds are to be raised in the present Issue. Further, it is

confirmed that the activities, which the company has been carrying out until now is in accordance with the object clause of Memorandum and Articles of Association of the Company.

C) FUNDING PLAN (MEANS OF FINANCE)

| Sl. No. | Particulars | Amount (In Rs. Lacs.) |
|--------------|--------------|-----------------------|
| 1. | IPO Proceeds | 200.40 |
| Total | | 200.40 |

The Entire fund requirements of the Objects of the Issue as detailed above are proposed to be funded from the proceeds of this Public Issue. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount proposed to be raised from the issue.

Balance portion of the means of finance for which no firm arrangement has been made.

Nil.

The Means of finance consist only of proceeds from the Proposed Issue.

The details of funds tied up and the avenues for deployment of excess proceeds, if any.

The fund requirement and deployment thereof, are based on internal management estimates and our company's current business plan and have not been appraised by any financial institution or bank. In case of variation in actual utilization of funds earmarked for the purpose, as described above, increased fund requirement for a particular purpose may be financed by surplus funds, if any, available from the funds earmarked for the other purposes for which funds are raised from this issue. If surplus funds are not available the funds requirement arising out of variation in utilization will be met through our internal accruals and/or debt.

D) APPRAISAL

None of the objects for which Net Proceeds will be utilized have been financially appraised and the estimates of the costs of projects mentioned above are based on internal estimates of the Company.

E) SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF FUNDS

The funds raised from this Issue shall be utilized as under:

| (Rs in Lacs) | | | | |
|--------------|---|------------------|---------------|---------------|
| S. No | Particulars | Already Deployed | 2013-14 | Total |
| 1 | To augment our capital base and provide for our fund requirements for increasing our Asset Finance Operations | 0.00 | 155.40 | 155.40 |
| 2 | Expenses of the Issue | 6.10 | 38.90 | 45.00 |
| | Total | 6.10 | 194.30 | 200.40 |

F) DEPLOYMENT OF FUNDS

The Company has received the Sources and Deployment Funds Certificate dated May 22, 2013 from M/s. Bengali and Associates, Chartered Accountants. The certificate states that the Company has deployed amounts aggregating Rs. 6.10 Lacs. Details of the deployment of funds as on May 22, 2013 as per the certificate are as follows:

| S.No | Particulars | Amount (Rs. In Lacs) |
|------|----------------|----------------------|
| 1 | Issue Expenses | 6.10 |
| | Total | 6.10 |

G) SOURCES OF FINANCING FOR THE FUNDS DEPLOYED

M/s. Bengali and Associates Chartered Accountants have, vide certificate dated May 22, 2013, confirmed that as on May 22, 2013, the funds deployed for the proposed Objects of the Issue have been funded from the following sources:

| S.No | Particulars | Amount (Rs. In Lacs) |
|-------------|--------------------|-----------------------------|
| 1 | Internal Resources | 6.10 |
| | Total | 6.10 |

Bridge Financing Facilities

The Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Prospectus, which are proposed to be repaid from the proceeds of this Issue.

H) INTERIM USE OF FUNDS

The Company's management, in accordance with the policies established by the Board, will have flexibility in deploying the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, the Company intends to temporarily invest the funds in high quality interest bearing liquid instruments including money market mutual funds and deposits with banks, in accordance with its investment policies as approved by the Board from time to time.

I) MONITORING OF UTILIZATION OF FUNDS

As the net proceeds of the Issue are less than Rs. 500 Crores, under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 it is not required that a monitoring agency be appointed by the Company. The Board will monitor the utilization of the proceeds of the Issue. The Company will disclose the utilization of the proceeds of the Issue under a separate head along with details, for all such proceeds of the Issue that have not been utilized. The Company will indicate investments, if any, of unutilized proceeds of the Issue in the Balance Sheet of the Company for the relevant Financial Years subsequent to the listing.

Pursuant to clause 52 of the SME Listing Agreement, the Company shall, on a quarterly basis disclose to the Audit Committee, the uses and applications of the proceeds of the Issue. On an annual basis, the Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the proceeds of the Issue have been utilised in full. The statement will be certified by the statutory auditors of the Company. In addition, the report submitted by the monitoring agency will be placed before the Audit Committee of the Company, so as to enable the Audit Committee to make appropriate recommendations to the Board of Directors of the Company.

The Company shall be required to inform material deviations in the utilisation of Issue proceeds to the stock exchanges and shall also be required to simultaneously make the material deviations/adverse comments of the Audit committee/monitoring agency public through advertisement in newspapers.

No part of the proceeds from the Issue will be paid by the Company as consideration to its Promoters, Directors or key managerial employees, except in the normal course of its business.

BASIC TERMS OF THE ISSUE

Authority for the Present Issue

The has been authorized by a resolution of the Board passed at their meeting held on October 25, 2012, subject to the approval of shareholders through a special resolution to be passed pursuant to section 81 (1A) of the Companies Act.

The shareholders have authorised the Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, passed at the Extra-Ordinary General Meeting of the Company held on November 20, 2012, at Mumbai.

Terms of the Issue

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles, the terms of this Draft Prospectus and the Prospectus, Application Form, and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, Stock Exchanges, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Memorandum and Articles of Association and shall rank pari-passu with the existing Equity Shares of the Company including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please see "Main Provisions of the Articles of Association" on page 148 of this Draft Prospectus.

Face Value and Issue Price

The face value of the Equity Shares is Rs. 10 each. The Issue Price of Equity Shares is Rs. 15 per Equity Share and is 1.5 times the face value. At any given point of time there shall be only one denomination for the Equity Shares.

Terms of Payment:

Applications should be for a minimum of 8000 equity shares and multiples of 8000 equity shares thereafter. The entire price of the equity shares of Rs. 15 per share is payable on application.

Market Lot and Trading Lot

The Equity Shares shall be allotted in dematerialized form or physical form, at the option of the Applicant. As per the SEBI (ICDR) Regulations, 2009, the trading of the Equity Shares shall only be in dematerialised form for all investors.

The trading of the equity shares will happen in the minimum contract size of 8000 equity shares and the same may be modified by the SME Platform of BSE from time to time by giving prior notice to investors at large.

Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If our Company does not receive the subscription of 100% of the Issue through this Draft Prospectus including devolvment of Underwriters within sixty days from the date of closure of the issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under section 73 of the Companies Act, 1956.

Further, in accordance with Regulation 106R of SEBI (ICDR) Regulations, 2009, our Company shall ensure that the number of prospective allottees to whom the Equity shares are allotted will not be less than 50.

BASIS FOR ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is Rs. 10 and Issue Price is Rs. 15 per Equity Shares and is 1.5 times the face value.

Investors should read the following basis with the "Risk Factors" beginning on page x and the details about the business of our Company and its financial statements included in this Draft Prospectus on pages 48 & 78 respectively to get a more informed view before making any investment decisions.

Qualitative Factors

We believe that our business strengths listed below deliver that cutting edge that enables us to remain competitive in financial services related businesses:

- ✓ Strong Management Team backed by experienced promoters
- ✓ Internal Control and Risk Management

For detail on qualitative factors pertaining to the pricing of this issue, please refer to "Business Overview" on page 48 of this Draft Prospectus.

Quantitative factors

1. Earnings Per Share (EPS) and Diluted Earning Per Share, Pre Issue, for last three years (as Adjusted for change in capital)*

| Financial Years | Basic EPS (Rs.) | Diluted EPS (Rs.) | Weights |
|---|-----------------|-------------------|---------|
| 2009-10 | 0.35 | 0.35 | 1 |
| 2010-11 | 0.07 | 0.07 | 2 |
| 2011-12 | 0.09 | 0.09 | 3 |
| Weighted Average EPS | 0.13 | 0.13 | |
| For the period ended December 31, 2012 | 0.05 | | |

*Source: Restated Financial Statements

Note-

Face value of each equity share is Rs.10.

EPS has been calculated in accordance with Accounting Standard 20 "Earning Per Share" issued by Institute of Chartered Accountants of India.

For further details, please refer to "Annexure No. X – Statement of Accounting Ratios" of the "Auditors Report" on page 78 of this Draft Prospectus.

2. Price/Earning (P/E) ratio in relation to Issue Price of Rs. 15

| Particulars | P/E Ratio |
|--|---------------|
| P/E ratio based on Basic EPS for FY 2011-12 | 166.67 |
| P/E ratio based on Weighted Average Basic EPS | 113.48 |

3. Industry P/E*

| Particulars | P/E Ratio |
|--|-----------|
| Highest (Confidence Trading Co. Ltd.) | 290.0 |
| Lowest (First Leasing Co. of India Ltd.) | 3.2 |
| Average | 14.1 |

*Source: Capital Market, Vol. XXVIII/07, dated May 27-June 09, 2013; Sector-Finance and Investments

4. Return on Net Worth in the last three years

| Financial Years | Return on Net Worth (RONW) (%) | Weights |
|---|--------------------------------|---------|
| 2009-10 | 2.56% | 1 |
| 2010-11 | 0.50% | 2 |
| 2011-12 | 0.69% | 3 |
| Weighted Average RONW | 0.94% | |
| For the period ended December 31, 2012 | 0.42% | |

Note-

Net worth has been computed by aggregating equity share capital, reserves and surplus and adjusting for revaluation reserves, as per the Company's restated audited financial statements.

5. Minimum Return on Net Worth after Issue needed to maintain Pre-Issue Basic EPS and the Adjusted EPS for the FY 2011-12 (based on restated financials) is 0.65%.

6. Net Asset value per Equity Share

| Particulars | Net Asset Value (NAV) in Rs. |
|-------------------------|------------------------------|
| As on March 31, 2010 | 12.51 |
| As on March 31, 2011 | 14.31 |
| As on March 31, 2012 | 12.88 |
| As on December 31, 2012 | 12.10 |
| NAV Post-Issue | 13.51 |
| Issue Price | 15.00 |

7. Comparison of Accounting ratios with Industry peers

| S. No. | Name of the company | Face Value (Rs. Per Share) | EPS (Rs.) | P/E Ratio | RONW (%) | Book Value Per Share (Rs.) |
|--------------------|--|----------------------------|-----------|-----------|----------|----------------------------|
| | Money Masters Leasing & Finance Limited | 10 | 0.09 | 169.57 | 0.69% | 12.88 |
| Peer Group* | | | | | | |
| 1. | Confidence Trading Co. Ltd. | 10 | 0.30 | 290.0 | 3.8% | 15.20 |
| 2. | Focus Industrial Resources Limited | 10 | 0.20 | 68.9 | 1.1% | 17.40 |
| 3. | Hasti Finance Limited | 10 | 1.4 | - | 7.9% | 23.10 |

*Source: Capital Market, Vol. XXVIII/07, dated May 27-June 09, 2013; Sector-Finance and Investments

Note - The figures/accounting ratios for Money Masters Leasing & Finance Limited are based on the restated results for the year ended March 31, 2012 and the same is calculated on the basis of standalone figures.

The Company in consultation with the Lead Manager believes that the issue price of Rs. 15 per equity share for the Public Issue is justified in view of the above parameters.

Prospective investors should also review the entire Draft Prospectus, including, in particular the sections titled "Risk Factors", "Business Overview" and "Financial Information" on pages x, 48 and 78 respectively, of this Draft Prospectus to have a more informed view.

The face value of the Equity Shares is Rs. 10 each and the Issue Price is 1.5 times the face value of the equity shares.

STATEMENT OF TAX BENEFITS

The Board of Directors
Money Masters Leasing & Finance Limited
4, Akashdeep, Ground Floor, Road No.-1,
TPS VI, Santacruz (West), Mumbai- 400054

Dear Sirs,

Sub: Statement of possible tax benefits available to the Money Masters Leasing & Finance Limited ('the Company') and its shareholders

We hereby report that the enclosed statement provides the possible tax benefits available to Money Masters Leasing & Finance Limited ('the Company') under the Income-tax Act, 1961, presently in force in India and to the shareholders of the Company under the Income Tax Act, 1961 and Wealth Tax Act, 1957. Presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for Professional advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own Tax Consultant with respect to the specific tax implications arising out of their participation in the issue.

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

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

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

For Sushil Lal & Associates
Chartered Accountants
F.R. No.: 021758N

Sd/-

(CA S.K LAL)
Managing Partner
M. No. 509185
Place: Delhi
Date: May 18, 2013

ANNEXURES TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO MONEY MASTERS LEASING & FINANCE LIMITED AND TO ITS SHAREHOLDERS

A) SPECIAL TAX BENEFIT FOR MONEY MASTERS LEASING & FINANCE LIMITED AND ITS SHAREHOLDERS

NIL

B) OTHER GENERAL TAX BENEFITS TO THE COMPANY AND ITS SHAREHOLDERS

The following tax benefits shall be available to the company and its Shareholders under Direct tax law

Under the Income-Tax Act, 1961 ("the Act"):

I. Benefits available to the Company

1. Depreciation

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

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

2. Dividend Income

Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961.

3. Income from Mutual Funds / Units

As per section 10(35) of the Act, the following income shall be exempt in the hands of the Company:

Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or

Income received in respect of units from the Administrator of the specified undertaking; or

Income received in respect of units from the specified company.

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

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

4. Income from Long Term Capital Gain

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

For this purpose, "Equity Oriented Fund" means a fund –

(i) Where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and

(ii) Which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act.

5. As per section 115JB, the Company will not be able to reduce the income to which the provisions of section 10(38) of the Act apply while calculating "book profits" under the provisions of section 115JB of the Act and will be required to pay Minimum Alternative Tax as follows-

| Book Profit | A.Y.-2013-14 | A.Y.-2014-15 |
|---|---------------------|---------------------|
| If book profit is less than or equal to Rs. 1 crore | 19.055% | 19.055% |
| If book profit is more than Rs.1 crore | 20.00775% | 20.00775% |
| If Book profit is exceeds Rs.10crore | 20.00775% | 20.9605% |

6. As per the provisions of Section 112 of the Income Tax Act, 1961, long-term capital gains as computed above that are not exempt under Section 10(38) of the Income Tax Act, 1961 would be subject to tax at a rate of 20 percent (plus applicable surcharge plus education cess plus secondary and higher education cess). However, as per the provision to Section 112(1), if the tax on long-term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long-term capital gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge plus education cess plus secondary and higher education cess).
7. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A "long term specified asset" means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

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

9. Preliminary Expenses

Under Section 35D of the Act, the company will be entitled to the deduction equal to 1/5th of the Preliminary expenditure of the nature specified in the said section, including expenditure incurred on present issue, such as Brokerage and other charges by way of amortization over a period of 5 successive years, subject to stipulated limits.

10. Credit for Minimum Alternate Taxes ("MAT")

Under Section 115JAA (2A) of the Income Tax Act, 1961, tax credit shall be allowed in respect of any tax paid (MAT) under Section 115JB of the Income Tax Act, 1961 for any Assessment Year commencing on or after April 1, 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Income Tax Act, 1961. Such MAT credit shall not be available for set-off beyond 10 years immediately succeeding the year in which the MAT credit initially arose.

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

1. As per section 10(34) of the Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003) received on the shares of the Company is exempt from tax in the hands of the shareholders.

2. Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long-term capital gains, it offers a benefit by permitting substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index as prescribed from time to time.
3. Under Section 10(38) of the Income Tax Act, 1961, long-term capital gains arising to a shareholder on transfer of equity shares in the company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to STT. However, the long-term capital gain of a shareholder being company shall be subject to income tax computation on book profit under section 115JB of the Income Tax, 1961.
4. As per section 112 of the Act, if the shares of the company are listed on a recognized stock exchange, taxable long-term capital gains, if any, on sale of the shares of the Company (in cases not covered under section 10(38) of the Act) would be charged to tax at the rate of 20% (plus applicable surcharge plus education cess plus secondary and higher education cess) after considering indexation benefits or at 10% (plus applicable surcharge plus education cess plus secondary and higher education cess) without indexation benefits, whichever is less.
5. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long-term specified asset" within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A "long-term specified asset" means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

6. Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.
7. Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a Company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.

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

1. Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961, received on the shares of the Company is exempt from tax.
2. As per section 10(38) of the Act, long-term capital gains arising to the shareholders from the transfer of a long-term capital asset being an equity share in the Company, where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the shareholder.
3. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long-term specified asset" within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A "long-term specified asset" means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

4. Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.
5. Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.
6. Under section 115-C (e) of the Act, the Non-Resident Indian shareholder has an option to be governed by the provisions of Chapter XIIA of the Act viz. "Special Provisions Relating to Certain Incomes of Non-Residents" which are as follows:
 - (i) As per provisions of section 115D read with section 115E of the Act, where shares in the Company are acquired or subscribed to in convertible foreign exchange by a Non-Resident Indian, capital gains arising to the non-resident on transfer of shares held for a period exceeding 12 months, shall (in cases not covered under section 10(38) of the Act) be concessionally taxed

at the flat rate of 10% (plus applicable surcharge plus education cess plus secondary and higher education cess) (without indexation benefit but with protection against foreign exchange fluctuation).

(ii) As per section 115F of the Act, long-term capital gains (in cases not covered under section 10(38) of the Act) arising to a Non-Resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange shall be exempt from income tax, if the net consideration is reinvested in specified assets within six months from the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.

(iii) As per section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long-term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.

(iv) As per section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for the assessment year in which he is first assessable as a Resident, under section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.

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

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

IV. Foreign Institutional Investors (FIIs)

1. Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961 received on the shares of the Company is exempt from tax.
2. As per section 10(38) of the Act, long-term capital gains arising to the FIIs from the transfer of a long-term capital asset being an equity share in the Company or a unit of equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the FIIs.
3. As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the section 10(38) of the Act at the following rates:

Nature of income & Rate of tax (%)

| Nature of Income | Rate of Tax (%) |
|---|------------------------|
| Long-Term Capital Gain | 10 |
| Short-Term Capital Gain (Referred to Section 111A) | 15 |
| Short-Term Capital Gain (other than under section 111A) | 30 |

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

4. In case of long-term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.
5. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long-term specified asset" within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A "long-term specified asset" means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

6. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.
7. However, where the equity shares form a part of its stock-in-trade, any income realized in the disposition of such equity shares may be treated as business profits, taxable in accordance with the DTAA between India and the country of tax residence of the FII. The nature of the equity shares held by the FII is usually determined on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases, sales and the ratio between purchases and sales and the holding etc. If the income realized from the disposition of equity shares is chargeable to tax in India as business income, FII's could claim, STT paid on purchase/sale of equity shares as allowable business expenditure. Business profits may be subject to applicable Tax Laws.

V. Venture Capital Companies/Funds

1. Under Section 10(23FB) of the Income Tax Act, 1961, any income of Venture Capital company / funds (set up to raise funds for investment in venture capital undertaking notified in this behalf) registered with the Securities and Exchange Board of India would be exempt from income tax, subject to conditions specified therein. As per Section 115U of the Income Tax Act, 1961, any income derived by a person from his investment in venture capital companies / funds would be taxable in the hands of the person making an investment in the same manner as if it were the income received by such person had the investments been made directly in the venture capital undertaking.

VI. Mutual Funds

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

Under the Wealth Tax Act, 1957

Benefits to shareholders of the Company

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

Tax Treaty Benefits

An investor has an option to be governed by the provisions of the Income Tax Act, 1967 or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial.

Notes:

- The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;
- The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India as amended from time to time. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws;
- This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue;
- In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile; and
- The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.

SECTION V- ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section has not been independently verified by us, the Lead Manager or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information.

Overview of the Global and Indian Economy

Global Economic Conditions: Global growth likely to stay sluggish in 2013

Global growth turned weaker in 2012 and is expected to stay sluggish in 2013 as fiscal adjustments drag growth in advanced economies (AEs) and, in turn, delay cyclical recovery in emerging market and developing economies (EMDEs). The International Monetary Fund (IMF) in its World Economic Outlook has forecast global growth to stay sluggish at 3.3 per cent in 2013 before improving to 4.0 per cent in 2014. While downside tail risks have reduced in early 2013 because of the supportive policy action in the euro area and the measures to tackle the fiscal cliff in the US, risks to global recovery have increased consequent to the Chinese economy slowing down.

Steady monetary easing in the face of fiscal austerity measures in advanced economies boosted global investor sentiments since Q4 of 2012. Notwithstanding the recent fallout of Cyprus, international financial markets posted significant gains, especially in Japan following its recent policy stimulus and in the US on the back of improved economic data. However, improved financial conditions are yet to translate into a sustained recovery in economic activity. Strong FII inflows, especially in H2 of 2012-13 augured well for the Indian equity market and the rupee, although the market movements were also conditioned by domestic slowdown and governance concerns. Primary equity market, however, remain subdued. Its recovery depends on improvement in macroeconomic fundamentals, continued fiscal consolidation and revival of global growth.

[Source: RBI - Macroeconomic and Monetary Developments in 2012-13]

Global Prospects

Global prospects have improved again but the road to recovery in the advanced economies will remain bumpy. World output growth is forecast to reach 3¼ percent in 2013 and 4 percent in 2014. In the major advanced economies, activity is expected to gradually accelerate, following a weak start to 2013, with the United States in the lead. In emerging market and developing economies, activity has already picked up steam. Advanced economy policymakers have successfully defused two of the biggest threats to the global recovery, a breakup of the euro area and a sharp fiscal contraction in the United States caused by a plunge off the "fiscal cliff ." However, old dangers remain and new risks have come to the fore. In the short term, risks mainly relate to developments in the euro area, including uncertainty about the fallout from events in Cyprus and politics in Italy as well as vulnerabilities in the periphery. In the medium term, the key risks relate to adjustment fatigue, insufficient institutional reform, and prolonged stagnation in the euro area as well as high fiscal deficits and debt in the United States and Japan. In this setting, policymakers cannot afford to relax their efforts. In advanced economies, the right macroeconomic approach continues to be gradual but sustained fiscal adjustment, built on measures that limit damage to activity, and accommodative monetary policy aimed at supporting internal demand. The United States and Japan still need to devise and implement strong medium-term fiscal consolidation plans. The euro area needs to strengthen the Economic and Monetary Union (EMU). In emerging market and developing economies, some tightening of policies appears appropriate in the medium term. This tightening should begin with monetary policy and be supported with prudential measures as needed to rein in budding excesses in financial sectors. Eventually, policymakers should also return fiscal balances to their healthy pre-2008 levels, rebuilding ample room for policy maneuvering. Some will need to take significant action now; others will need only limited improvements in the medium term.

[Source: World Economic Outlook 2013]

Indian Economy

While India's recent slowdown is partly rooted in external causes, domestic causes are also important. The strong post-financial-crisis stimulus led to stronger growth in 2009-10 and 2010-11. However, the boost to consumption, coupled with supply side constraints, led to higher inflation. Monetary policy was tightened, even as external headwinds to growth increased. The consequent slowdown, especially in 2012-13, has been across the board, with no sector of the economy unaffected. Falling savings without a commensurate fall in aggregate investment have led to a widening current account deficit (CAD). Wholesale price index (WPI) inflation has been coming down in recent months. However, food inflation, after a brief slowdown, continues to be higher than overall inflation. Given the higher weightage to food in consumer price indices (CPI), CPI inflation has remained close to double digits. Another consequence of the slowdown has been lower-than-targeted tax and non-tax revenues. With the subsidies bill, particularly that of petroleum products, increasing, the danger that fiscal targets would be breached substantially became very real in the current year. The situation warranted urgent steps to reduce government spending so as to contain inflation. Also required were steps to facilitate corporate and infrastructure investment so as to ease supply. Several measures announced in recent months are aimed at restoring the fiscal health of the government and shrinking the CAD as also improving the growth rate. With the global economy also likely to recover somewhat in 2013, these measures should help in improving the Indian economy's outlook for 2013-14.

Following the slowdown induced by the global financial crisis in 2008-09, the Indian economy responded strongly to fiscal and monetary stimulus and achieved a growth rate of 8.6 per cent and 9.3 per cent respectively in 2009-10 and 2010-11. However, with the economy exhibiting inflationary tendencies, the Reserve Bank of India (RBI) started raising policy rates in March 2010. High rates as well as policy constraints adversely impacted investment, and in the subsequent two years viz. 2011-12 and 2012-13, the growth rate slowed to 6.2 per cent and 5.0 per cent respectively. Nevertheless, despite this slowdown, the compound annual growth rate (CAGR) for gross domestic product (GDP) at factor cost, over the decade ending 2012-13 is 7.9 per cent.

The moderation in growth is primarily attributable to weakness in industry (comprising the mining and quarrying, manufacturing, electricity, gas and water supply, and construction sectors), which registered a growth rate of only 3.5 per cent and 3.1 per cent in 2011-12 and 2012-13 respectively.

The rate of growth of the manufacturing sector was even lower at 2.7 per cent and 1.9 per cent for these two years respectively. Growth in agriculture has also been weak in 2012-13, following lower-than-normal rainfall, especially in the initial phases (months of June and July) of the south-west monsoon.

After achieving double-digit growth continuously for five years and narrowly missing double digits in the sixth (between 2005-06 and 2010-11), the growth rate of the services sector also declined to 8.2 per cent in 2011-12 and 6.6 per cent in 2012-13. In 2011-12 the sector that particularly slowed within the services sector was Trade, Hotels, and Restaurants, Transport and Communications, and its growth further declined in 2012-13. Activities in this sector, being forms of derived demand, tend to grow at a slower rate with the slowdown of economic activity in the industry and agriculture sectors.

Why has the economy slowed down so rapidly despite recovering strongly from the global financial crisis? A number of factors are responsible. First, the boost to demand given by monetary and fiscal stimulus following the crisis was large. Final consumption grew at an average of over 8 per cent annually between 2009-10 and 2011-12. The result was strong inflation and a powerful monetary response that also slowed consumption demand. Second, starting in 2011-12, corporate and infrastructure investment started slowing both as a result of investment bottlenecks as well as the tighter monetary policy. Thirdly, even as the economy slowed, it was hit by two additional shocks: a slowing global economy, weighed down by the crisis in the Euro area and uncertainties about fiscal policy in the United States, and a weak monsoon, at least in its initial phase.

As growth slowed and government revenues did not keep pace with spending, the fiscal deficit threatened to breach the target. With government savings falling, and private savings also shrinking, the CAD--which is the investment that cannot be financed by domestic savings and has to be financed from abroad--also widened. In the rest of this chapter, the statistical underpinnings of the macro economy are analysed followed by the rationale behind the government's policy for macroeconomic stabilization and restoring growth, in addition to the macroeconomic outlook and possible risks to the outlook.

[Source: *Economic Survey 2012-13*]

Non-Banking Financial Company (NBFC)

A Non-Banking Financial Company (NBFC) is a company registered under the Companies Act, 1956 engaged in the business of loans and advances, acquisition of shares/stocks/bonds/debentures/securities issued by Government or local authority or other marketable securities of a like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, purchase or sale of any goods (other than securities) or providing any services and sale/purchase/construction of immovable property. A non-banking institution which is a company and has principal business of receiving deposits under any scheme or arrangement in one lump sum or in installments by way of contributions or in any other manner, is also a non-banking financial company (Residuary non-banking company).

Different types/categories of NBFCs registered with RBI

NBFCs are categorized a) in terms of the type of liabilities into Deposit and Non-Deposit accepting NBFCs, b) non deposit taking NBFCs by their size into systemically important and other non-deposit holding companies (NBFC-NDSI and NBFC-ND) and c) by the kind of activity they conduct. Within this broad categorization the different types of NBFCs are as follows:

- ix. **Asset Finance Company (AFC)** : An AFC is a company which is a financial institution carrying on as its principal business the financing of physical assets supporting productive/economic activity, such as automobiles, tractors, lathe machines, generator sets, earth moving and material handling equipments, moving on own power and general purpose industrial machines. Principal business for this purpose is defined as aggregate of financing real/physical assets supporting economic activity and income arising therefrom is not less than 60% of its total assets and total income respectively.
- x. **Investment Company (IC)** : IC means any company which is a financial institution carrying on as its principal business the acquisition of securities,
- xi. **Loan Company (LC)** : LC means any company which is a financial institution carrying on as its principal business the providing of finance whether by making loans or advances or otherwise for any activity other than its own but does not include an Asset Finance Company.
- xii. **Infrastructure Finance Company (IFC)** : IFC is a non-banking finance company a) which deploys at least 75 per cent of its total assets in infrastructure loans, b) has a minimum Net Owned Funds of Rs. 300 crore, c) has a minimum credit rating of 'A' or equivalent d) and a CRAR of 15%.
- xiii. **Systemically Important Core Investment Company (CIC-ND-SI)** : CIC-ND-SI is an NBFC carrying on the business of acquisition of shares and securities which satisfies the following conditions:-
 - a. it holds not less than 90% of its Total Assets in the form of investment in equity shares, preference shares, debt or loans in group companies;
 - b. its investments in the equity shares (including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue) in group companies constitutes not less than 60% of its Total Assets;
 - c. it does not trade in its investments in shares, debt or loans in group companies except through block sale for the purpose of dilution or disinvestment;
 - d. it does not carry on any other financial activity referred to in Section 45I(c) and 45I(f) of the RBI act, 1934 except investment in bank deposits, money market instruments, government securities, loans to and investments in debt issuances of group companies or guarantees issued on behalf of group companies.
 - e. Its asset size is Rs 100 crore or above and
 - f. It accepts public funds
- xiv. **Infrastructure Debt Fund: Non- Banking Financial Company (IDF-NBFC)**: IDF-NBFC is a company registered as NBFC to facilitate the flow of long term debt into infrastructure projects. IDF-NBFC raise resources through issue of Rupee or Dollar denominated bonds of minimum 5 year maturity. Only Infrastructure Finance Companies (IFC) can sponsor IDF-NBFCs.
- xv. **Non-Banking Financial Company - Micro Finance Institution (NBFC-MFI)**: NBFC-MFI is a non-deposit taking NBFC having not less than 85% of its assets in the nature of qualifying assets which satisfy the following criteria:
 - a. loan disbursed by an NBFC-MFI to a borrower with a rural household annual income not exceeding Rs. 60,000 or urban and semi-urban household income not exceeding Rs. 1,20,000;
 - b. loan amount does not exceed Rs. 35,000 in the first cycle and Rs. 50,000 in subsequent cycles;
 - c. total indebtedness of the borrower does not exceed Rs. 50,000;
 - d. tenure of the loan not to be less than 24 months for loan amount in excess of Rs. 15,000 with prepayment without penalty;

- e. loan to be extended without collateral;
 - f. aggregate amount of loans, given for income generation, is not less than 75 per cent of the total loans given by the MFIs;
 - g. loan is repayable on weekly, fortnightly or monthly instalments at the choice of the borrower
- xvi. **Non-Banking Financial Company – Factors (NBFC-Factors):** NBFC-Factor is a non-deposit taking NBFC engaged in the principal business of factoring. The financial assets in the factoring business should constitute at least 75 percent of its total assets and its income derived from factoring business should not be less than 75 percent of its gross income.

[Source: Frequently Asked Questions on NBFCs - RBI Website]

NBFC sector in India- Evolution of regulation

Steps for regulation of NBFCs were initiated as early as in the sixties. Regulation of NBFCs was found to be necessary for three reasons viz., ensuring efficacy of credit and monetary policy, safeguarding depositors' interest and ensuring healthy growth of Non-Banking Financial Intermediaries (NBFIs). Thus, the Banking Laws (Miscellaneous Provisions) Act, 1963 was introduced to incorporate a new chapter (i.e., Chapter III B) in the Reserve Bank of India Act, 1934 to regulate the NBFIs. Subsequently, to enable the regulatory authorities to frame suitable policy measures, several committees were appointed from time to time, to conduct in-depth study of these institutions and make suitable recommendations for their healthy growth. These include the Bhabatosh Datta Study Group (1971), the James Raj Study Group (1974), and the Chakravarty Committee, 1985. Thereafter, the Narasimham Committee (1991) outlined a framework for streamlining the functioning of the NBFCs, which would include, in addition to the existing requirements of gearing and liquidity ratios, norms relating to capital adequacy, debt-equity ratio, credit-concentration ratio, adherence to sound accounting practices, uniform disclosure requirements and assets valuation. The Joint Parliamentary Committee (JPC), appointed in connection with the irregularities in the Securities Transactions, had also recommended that legislative framework should be strengthened to vest in RBI more powers to effectively regulate NBFCs. The extant regulatory and supervisory framework as it stands today is based on the recommendations of the Shah and Khanna Committees (1992 and 1995).

The growing significance of NBFCs was also recognized by the second Narasimham Committee (1998) as well as by the RBI in its Discussion Paper on Harmonisation of the Role and Operations of DFIs and Banks. Recognizing the increasing significance of the sector, the Working Group on Money Supply (Chairman: Dr. Y.V. Reddy) in 1998 proposed a new measure of liquidity aggregate incorporating NBFCs with public deposits of Rs. 0.20 billion and above.

There was a significant increase in the nature of NBFC activities in the nineties. NBFCs grew sizably both in terms of their numbers as well as the volume of business transactions. The number of NBFCs grew more than seven-fold from 7,063 in 1981 to 51,929 in 1996. Accordingly, based on the recommendations of the Shah Committee, the RBI Act was amended in January 1997 to provide a comprehensive legislative framework for regulation of NBFCs by effecting changes in the provisions contained in Chapter III-B and Chapter V of the Act and vested more powers with the RBI. The regulatory framework was based on the three pillars viz., onsite supervision, offsite monitoring and exception reporting by auditors. Though the amended Act provided for registration of all NBFCs, the focus continued to be the protection of depositors' interest thus covering the deposit taking NBFCs, while keeping the non-deposit taking NBFCs subject to minimal regulation. These measures resulted in consolidation of the sector, reduction in the number of deposit taking NBFCs, reduction in the quantum of public deposits and increase in the number of non-deposit taking NBFCs. The number of deposit taking NBFCs, including Residuary Non-Banking Finance Companies (RNBCs), decreased from 1,429 in March 1998, to 273 in March 2012. The deposits held by these companies (including RNBCs) decreased from Rs. 238 billion to Rs. 101 billion during the same period.

With the consolidation of the sector and stabilising of deposit taking NBFCs, the focus in 2006 widened to include non-deposit taking NBFCs which were growing in number as well as in size. Considering the issue of systemic importance of large NBFCs in view of their size, their enhanced risk taking capabilities, growing complexity of their activities, and the financial market inter linkages, a comprehensive regulatory framework was introduced for these NBFCs. To begin with, non deposit taking companies having asset size of Rs. 1 billion (100 crore) and above were classified as systemically important non deposit taking NBFCs (NBFCs-ND-SI) and subjected to capital adequacy and credit concentration norms. Subsequently, liquidity and disclosure norms were made applicable to them. Presently, as on March 31, 2012, there are 375 NBFCs-ND- SI with a total asset size of Rs. 9213 billion.

The NBFC sector has been the fastest growing segment in the Indian financial sector today with year on year growth higher than that of banking sector as seen from the figures below:

| Growth in Total Assets of Banks vis-à-vis NBFCs | | | | | | |
|--|------------------|-------------|-------------|-------------|-------------|-------------|
| Item | As at end | | | | | |
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| Banks | 3459961 | 4326486 | 5241330 | 6025141 | 7183522 | 8299400 |
| Growth (Y-o-Y) | | 25 | 21.1 | 15 | 19.2 | 15.5 |
| NBFCs | 366452 | 478997 | 560035 | 657185 | 866713.7 | 1038189 |
| Growth (Y-o-Y) | | 30.7 | 16.9 | 17.3 | 31.9 | 19.8 |
| Source: Trend and Progress of Banking in India, various issues | | | | | | |
| Note: NBFCs include all deposit taking NBFCs and NBFCs-ND-SI | | | | | | |

NBFC sector during the 2008 crisis

The NBFC sector came under pressure during the 2008 crisis due to the funding inter linkages among NBFCs, mutual funds and commercial banks. NBFCs-ND-SI relied significantly on short term funding sources such as debentures (largely non convertible short term debentures), and CPs, which constituted around 56.8 percent of the total borrowings of NBFCs-ND-SI as on September 30, 2008. These funds were used to finance assets which were reportedly largely a mix of long term assets, including hire purchase and lease assets, long term investments, investment in real estate by few companies, and loans and advances. These mismatches were created mainly as a business strategy for gaining from the higher spreads. However, there were no fall back alternatives in cases of potential liquidity constraints. The ripple effect of the turmoil in American and European markets led to liquidity issues and heavy redemption pressure on the mutual funds in India, as several investors, especially institutional investors, started pulling out their investments in liquid and money market funds. Mutual funds being the major subscribers to CPs and debentures issued by NBFCs, the redemption pressure on MFs translated into funding issues for NBFCs, as they found raising fresh liabilities or rolling over of the maturing liabilities very difficult. Drying up of these sources of funds along with the fact that banks were increasingly becoming risk averse, heightened their funding problems, exacerbating the liquidity tightness.

[Source: Extracts of Regulation of Shadow Banking – Issues and Challenges- Address by Mr. Anand Sinha, Deputy Governor, Reserve Bank of India at the event organized by the Indian Merchants' Chamber, Mumbai on January 07, 2013]

BUSINESS OVERVIEW

Overview

Incorporated as 'Money Masters Leasing & Finance Private Limited' at Mumbai on October 26, 1994 under the Companies Act, 1956 with the Registrar of Companies, Maharashtra. On February 09, 1996 the name of the Company was changed to 'Money Masters Leasing & Finance Limited'.

Our Company is a NBFC registered with RBI to carry on NBFC Activities under Section 45IA of the Reserve Bank of India Act, 1934 bearing Certificate no. 13.00931 dated July 31, 1998.

BUSINESS STRENGTHS

1. Strong Management Team backed by Experienced Promoters:

We have a strong management team backed by the promoters who have several years of experience in capital markets and financial services industry. We believe that their strong technical experience and industry networks will help us in achieving our key business strategies. For further details regarding the experience and qualifications of our management and Promoters please refer to sections titled "*Our Management*" and "*Our Promoters & Promoter Group*" beginning on pages 63 and 73 of this Draft Prospectus respectively.

2. Internal Control and Risk Management

The Company believes that it has internal controls and risk management systems to assess and monitor risks. The company has its management team which monitors and manages risks by monitoring trends that may have an effect on the economic environment and actively assesses on a routine basis the market value of the Company's portfolio. The Company seeks to monitor and control its risk exposure through a variety of separate but complementary financial and operational reporting systems. The Company believes it has effective procedures for evaluating and managing the market, operational and other risks to which it is exposed.

During the FY 2011-12, the company reported total revenue of Rs. 129.71 Lacs with profit after tax of Rs. 11.06 Lacs as compared to Rs. 121.43 Lacs and Rs. 2.24 Lacs respectively during the corresponding period, i.e. FY 2010-11.

(1) Details of the business of the issuer

a. Location:

The registered office of the company is situated at 4, Akash Deep, Ground Floor, TPS VI, Road No. 1, Milan Subway, Santacruz (West), Mumbai-400054.

b. Technology, process, etc.:

Process for Auto Rickshaw Finance:

1. The Prospective customer approaches the Dealer
2. The Dealer gets the Application Form filled by the customers and collects all the KYC Documents like ID Proof, Income Proof etc.
3. The Dealer then sends the completed form along with the KYC Documents to the Company
4. The documents received by the Company are then verified and the application form is checked for its completeness
5. Three Permit Holders form one circle, they act as cross guarantors for each other. In case of application by one of the Permit Holders, it is to be guaranteed by the other two Permit Holders.
6. The Permit Holder is then required to come in person at the Company's Office for his verification along with the original permit and KYC documents.
7. The Company may ask for any additional information.
8. The vehicle is then inspected at the Company's Office and print of the engine number and chasis number is taken for cross verification.
9. Vehicle goes to the Regional Transport Office (RTO) for registration and hypothecation in favour of the Company.
10. If all the documents are in order, the application form alongwith the supporting documents are forwarded to the sanctioning authority for approval.
11. If the sanctioning authority sanctions the finance and the sanction Letter is issued to the Customer. The sanction letter provides for the interest rate, and number of instalments in which the amount financed is to be repaid.

12. Post Issue of Sanction Letter, documents such as Hypothecation Agreement, Promissory Note, Power of Attorney, Letter of Waiver, TTO set, Finance Agreement etc. are executed. Once all the formalities are completed, cheque is issued in favour of the Customer / Dealer.

Process for other types of finance (for assets like equipments, computers, cars etc.)

1. The Prospective Customer approaches the Company
2. The Prospective Customer is then required to fill up the Application Form and submit the relevant KYC documents (like ID Proof, Income Tax Returns), Proforma Invoice etc., with the Company.
3. The documents received by the Company are then verified and the application form is checked for its completeness
4. The Company may ask for any additional information
5. If all the documents are in order, the application form alongwith the supporting documents are forwarded to the sanctioning authority for approval.
6. If the sanctioning authority sanctions the finance and the sanction Letter is issued to the Customer. The sanction letter provides for the interest rate, and number of instalments in which the amount financed to be repaid.
7. Assets purchased are then verified.
8. Post Issue of Sanction Letter, documents such as Hypothecation Agreement, Promissory Note, Power of Attorney, Letter of Waiver, TTO set (if the asset purchased is a vehicle), Finance Agreement etc. are executed. Once all the formalities are completed, cheque is issued in favour of the Customer.

c. Collaborations, any performance guarantee or assistance in marketing by the collaborators:

Nil

d. Infrastructure facilities:

The premises that the Company operates from are co-owned by one of the Promoters of the Company. The Company has access to sufficient electricity, internet, telephones etc. to run its operations.

e. Products of the issuer:

i) Nature of our Products

Our products are typically directed at Individuals and small corporate entities. We offer Asset Finance on Hire Purchase basis and also other secured Loans

Asset Finance on Hire Purchase:

Our Company provides Asset Finance on Hire Purchase basis for purchase of income generating assets. Our deployment of funds is strictly made after following our investment policies, physical verification of assets and fulfillment of KYC norms. We provide Asset Finance on Hire Purchase basis to various Small Scale Industries, Traders, Transport Operators, Auto-Rickshaws & Taxis operators, Computer and Equipment Finance. As on date, approximately 60% of our total funds deployed are in form of Asset Finance on Hire Purchases basis.

As on date, our average financing size per auto rickshaw is Rs.1,50,000/- and on an average we finance 15-18 auto rickshaws per month.

We provide financing on Hire Purchase basis for the following categories of assets:

- Auto Rickshaws
- Computers
- Industrial Machinery and Tools
- Cars
- Equipments

Non Hire Purchase Loans:

Apart from Asset Finance on Hire Purchase basis, we also provide finance for other loans such as Loans against Property etc.

ii) Competition: Our main competitors are small cooperative Banks and credit societies

iii) **The approach to marketing and proposed marketing set up.**

We have informal understandings with various Auto Rickshaw and Equipment suppliers who refer their customers to us directly. At present we do not have sufficient resources at our disposal to cater to all the available potential business opportunities available to us. We hope to rectify this position to some extent post the completion of the proposed IPO.

(2) **Business strategy**

OUR BUSINESS STRATEGY

Our vision is to become a reliable finance provider by providing cost-effective and quality products. In line with this vision, our strategy is to capitalize on our core strengths and thus enhance the volume of our business. We intend to focus on our existing range of products with specific emphasis on the following as a part of our growth strategy:

1. Maintain and expand long term Relationship with Clients

The Company believes that business is a by-product of relationship. The business model is based on client relationships that are established over period of time. The Company believes that a long term client relationship with large clients fetches better dividends. The Company intends to establish strategic alliances and share risks with companies whose resources, skills and strategies are complementary to the Company's business and are likely to enhance its opportunities.

2. Increasing our Asset Finance Portfolio

The company also plans to expand its footprint in all its current areas of operation with prime focus on Auto Rickshaws.

IT industry is at its boom, Hire purchase/ rentals of Hardware is the order of the day, company has the capacity and arrangements with companies dealing in sale and providing on rent of IT infrastructure. It has also designed schemes for such activities.

3. To strengthen our relationships with existing clients and to develop relationships with new clients

We will further consolidate and strengthen our relationship with existing clients by providing them with quality products and at the same time will consistently develop new relations.

4. To strengthen our competitive position

Our Company intends to strengthen the competitive position of our products by undertaking brand-building exercise. We would focus on providing quality products at competitive prices.

Key Business Processes and Policies

The company's main area of business activity and excellence has been asset financing which constitutes major portion of its turnover. Company caters mainly to the needs of small and medium business enterprises. The company also helps entrepreneurs in beginning business by providing finance against machineries etc. It also specializes in consumer finance and other core areas of revenue generation. Spreading out the investments in these fields minimizes the risk factors and also serves a greater social cause. Deployment of funds is mainly for income generation activities. Till date the company has financed around 3000 auto rickshaws on hire purchase. The funds are mainly deployed in Financing of various Asset classes on Hire Purchase basis. Our company has no speculative investments.

COLLABORATION

The company has no collaborations.

MARKETING

We believe that our relationship with authorised dealers of various assets viz. Auto Rickshaws, Taxis, Two-wheeler etc. allows us to retain direct contact with our customers. We are empanelled with authorised dealers of assets as financier for the purchase of assets by their customers.

For 3 Wheelers: We are empanelled with M/s. Gupta Motors India Private Limited, who are one of the direct dealers for Bajaj Autos in Mumbai. Their monthly sale is around 150 autos and on an average we finance 15-18 auto rickshaws per month.

For Computers: We are empanelled with M/s Benchmark Computer Solutions.

PRODUCTS AND SERVICES

We offer following products and services.

Asset Finance on Hire Purchase:

Our Company provides Asset Finance on Hire Purchase basis for purchase of income generating assets. Our deployment of funds is strictly made after following our investment policies, physical verification of assets and fulfillment of KYC norms. We provide Asset Finance on Hire Purchase basis to various Small Scale Industries, Traders, Transport Operators, Auto-Rickshaws & Taxis operators, Computer and Equipment Finance. As on date, approximately 60% of our total funds deployed are in form of Asset Finance on Hire Purchases basis.

As on date, our average financing size per auto rickshaw is Rs.1,50,000/- and on an average we finance 15-18 auto rickshaws per month.

We provide financing on Hire Purchase basis for the following categories of assets:

- Auto Rickshaws
- Computers
- Industrial Machinery and Tools
- Cars
- Equipments

Non Hire Purchase Loans:

Apart from Asset Finance on Hire Purchase basis, we also provide finance for other loans such as Loans against Property etc.

We believe that our relationship with authorised dealers of various assets viz. Auto Rickshaws, Taxis, Two-wheeler etc. allows us to retain direct contact with our customers and this critical attribute has allowed us to control growth, opportunities to better understand and innovate to meet changing customer needs.

COMPETITION

In financial services, the Company competes with small cooperative Banks and credit societies.

INTELLECTUAL PROPERTY RIGHTS



Our logo  and the name "Money Masters Leasing & Finance Limited" is registered in the name of our company.

EXISTING CAPACITY & CAPACITY UTILIZATION

Capacity and Capacity Utilization is not applicable to our Company.

HUMAN RESOURCES

As on date of this Draft Prospectus, we have 6 (Six) employees on roll which are spread across various functions viz. administration, marketing, management, daily support staffs.

The Company expects that human resources and employee recruitment activities will increase as the Company's business grows.

PROPERTY

Our company does not hold any freehold property/land as on date of this Draft Prospectus. Our registered office located at 4, Akashdeep, Ground Floor, TPS VI, 1st Road, Milan Subway, Santacruz (W), Mumbai-400 054 is co-owned by one of our promoters viz. Mrs. Durriya Hozefa Darukhanawala.

Leasehold Property:

| S. No. | Location | Kind | Document Date | Licensor | Key Terms | Rent Paid |
|--------|---|------|---|--|--|----------------------|
| 1 | 4, Akashdeep, Ground Floor, TPS VI, 1st Road, Milan Subway, Santacruz (W), Mumbai-400 054 | Shop | Leave & License Agreement dated November 07, 2012 | Mrs. Durriya Hozefa Darukhanawala and Mr. Hemant Sanil | The agreement is for a period of 60 months till June 30, 2016. | Rs. 35,000 per month |

(5) **Purchase of property**

There is no property that has been purchased or acquired by the Company or is proposed to be purchased or acquired, which is to be paid for wholly or partly out of the proceeds of the issue offered for subscription by this Draft Prospectus or the purchase or acquisition of which has not been completed at the date of issue of the Draft Prospectus.

(6) **Land**

No land has been acquired/ proposed to be acquired alongwith by the Company from entities having any sort of relation with any Promoter or Director of the Company.

(7) **Insurance**

Our Company has no Insurance cover of any nature.

KEY INDUSTRY REGULATIONS

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

The Company is a Public Deposit Accepting NBFC ("**D-NBFC**"). As such, our business activities are regulated by RBI regulations applicable to D-NBFCs.

Following are the significant regulations that affect our operations:

I. NBFC regulations

The Reserve Bank of India Act

The RBI regulates and supervises activities of NBFCs. Chapter III B of the Reserve Bank of India Act of 1934 ("**RBI Act**") empowers the RBI to regulate and supervise the activities of all NBFCs in India.

The RBI Act defines an NBFC under Section 45-I (f)

- (i) "a financial institution which is a company;
- (ii) a non-banking institution which is a company and which has as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner, or lending in any manner;
- (iii) such other non-banking institution or class of such institutions as the RBI may, with the previous approval of the Central Government and by notification in the Official Gazette, specify."

Section 45-I(c) of the RBI Act, further defines "financial institution" to mean any non-banking institution which, among other things, carries on the business or part of its business of making loans or advances.

The RBI has clarified through a press release (Ref. No. 1998-99/ 1269) dated April 08, 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide its principal business.

The company will be treated as an NBFC if **(a)** its financial assets are more than 50 per cent of its total assets (netted off by intangible assets); and **(b)** income from financial assets should be more than 50 per cent of the gross income. Both these tests are required to be satisfied as the determinant factor for principal business of a company.

The RBI Act mandates that no NBFC, which comes into existence after the commencement of the Reserve Bank of India (Amendment) Act shall commence or carry on the business of a nonbanking financial institution without obtaining a certificate of registration. Furthermore, such an NBFC must also have a net owned fund of Rs. 25,00,000 or such other amount not exceeding Rs. 2,00,00,000.

Under Section 45 – IC of the RBI Act, every NBFC must create a reserve fund and transfer therein a sum not less than 20 per cent of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared.

Such a fund is to be created by every NBFC irrespective of whether it is a Deposit Accepting NBFC or not. Further, no appropriation can be made from the fund for any purpose by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation shall be reported to the RBI within 21 days from the date of such withdrawal.

Prudential Norms

The Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended, (the "**Prudential Norms**"), amongst other requirements prescribe guidelines on D-NBFCs regarding income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit/investment and norms relating to infrastructure loans.

Provisioning Requirements

Every NBFC, after taking into account the time lag between an account becoming non performing, its recognition, the realization of the security and erosion overtime in the value of the security charged,

shall make provisions against sub-standard assets, doubtful assets and loss assets in the manner provided for in the Prudential Norms Directions.

Capital Adequacy Norms

Every NBFC should maintain a minimum capital ratio consisting of Tier I and Tier II capital which shall not be less than 15% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items is required to be maintained. Also, the total of the Tier II capital shall not exceed 100% of the Tier I capital

Tier – I Capital means, owned funds as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund.

Owned Funds means, paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

Tier – II Capital means to include the following (a) preference shares other than those which are compulsorily convertible into equity and (b) revaluation reserves at discounted rate of 55%.

Hybrid debt means, capital instrument, which possess certain characteristics of equity as well as debt.

Subordinated debt means a means an instrument, which is fully paid up, is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of NBFC. The book value of such instrument shall be subjected to discounting as prescribed by RBI.

Exposure Norms

In order to ensure better risk management and avoidance of concentration of credit risks, the RBI has, in terms of the Prudential Norms, prescribed credit exposure limits for financial institutions in respect of their lending to single/ group borrowers. Credit exposure to a single borrower shall not exceed 15% of the owned funds of the NBFC, while the credit exposure to a single group of borrowers shall not exceed 25% of the owned funds of the NBFC.

Further, the NBFC may not invest in the shares of another company exceeding 15% of its owned funds, and in the shares of a single group of companies exceeding 25% of its owned funds.

However, this prescribed ceiling of investment in shares of another company shall not be applicable on a NBFC for investments in the equity capital of an insurance company to the extent specifically permitted by the RBI.

Further, the NBFC may not land and invest exceeding 25% of its owned funds to a single party, and 40% of its to single group of Parties

An NBFC, classified as Asset Finance Company by the RBI, may in exceptional circumstances, exceed the above ceilings on credit/investment concentration to a single party or a single group of parties by 5 per cent of its owned fund, with the approval of its Board of Directors.

Asset Classification

The Prudential Norms require that every NBFC shall, after taking into account the degree of well defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

- (i) Standard assets;
- (ii) Sub-standard assets;
- (iii) Doubtful assets; and
- (iv) Loss assets.

Further, such class of assets would not be entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such upgradation.

Submission of a certificate from Statutory Auditor to the Bank

Every NBFC is required to submit a Certificate from its Statutory Auditor to the effect that the Company is engaged in the business of non-banking financial institution requiring it to hold a Certificate of Registration under Section 45-IA of the RBI Act. If the said certificate is in reference to the position of the company as at end of the financial year ended on March 31, the Company may submit the same to the Regional Office of the Department of Non-Banking Supervision under whose jurisdiction the non-banking financial company is registered, "within one month from the date of finalization of the balance sheet and in any case not later than December 30th of that year". Such certificate shall also indicate the asset / income pattern of the non-banking financial company for making it eligible for classification as Asset Finance Company, Investment Company or Loan Company.

Other stipulations

All NBFCs granting/intending to grant demand/call loans, are required to frame a policy for demand and call loan that includes provisions on the cutoff date for recalling the loans, the rate of interest, periodicity of such interest and periodical reviews of such performance.

The Prudential norms also specifically prohibit NBFCs from lending against its own shares.

KYC Guidelines

The RBI has extended the Know Your Customer ("KYC") guidelines to NBFCs and advised all NBFCs to adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework on Know Your Customer and Anti-Money Laundering measures is put in place. The KYC policies are required to have certain key elements, including, customer acceptance policy, customer identification procedures, monitoring of transactions and risk management, diligence of client accounts opened by professional intermediaries, customer due diligence and diligence of accounts of politically exposed persons, adherence to KYC guidelines and the exercise of due diligence by persons authorised by the NBFC, including its brokers and agents.

Corporate Governance Guidelines

Pursuant to a RBI Circular dated May 08, 2007, all D-NBFCs with deposit size of Rs. 20 Crores and above, are required to adhere to certain corporate governance norms including constitution of an audit committee, a nomination committee, a risk management committee and certain other norms in connection with disclosure, transparency and connected lending.

Norms for excessive interest rates

In addition, the RBI has introduced vide a circular bearing reference number RBI/ 2006-07/ 414 dated May 24, 2007 whereby RBI has requested all NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges. In addition to the aforesaid instruction, the RBI has issued a Master Circular on Fair Practices Code dated July 02, 2012 for regulating the rates of interest charged by the NBFCs. These circulars stipulate that the board of each NBFC is required to adopt an interest rate model taking into account the various relevant factors including cost of funds, margin and risk premium. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers is required to be disclosed to the borrowers in the application form and expressly communicated in the sanction letter. Further, the rates of interest and approach for gradation of risks shall also be made available on the NBFCs website or published in newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be an annualized rate so that the borrower is aware of the exact rates that would be charged to the account.

Supervisory Framework

NBFCs are required to submit various returns to RBI with respect to their deposit acceptance, prudential norms compliance, ALM etc.

As at the end of March every year, all NBFCs are required to submit an annual certificate duly certified by the Statutory Auditors that the company is engaged in the business of NBFI requiring it to hold the CoR. The certificate shall also indicate the asset / income pattern of the NBFC for making it eligible for classification as AFC, Investment Company, or Loan Company.

An NBFC with FDI has to submit a half yearly (half year ending March and September) certificate to the effect that it has complied with the minimum capitalisation norms and that its activities are restricted to the activities prescribed under FEMA

In case of overseas investment a Quarterly Return is to be submitted by all NBFCs to the Regional Office of DNBS and also Department of Statistics and Information Management (DSIM).

A D-NBFC is required to file Quarterly Returns detailing the position of its Assets and Liabilities, such return is required to be filed in Form NBS 1. Further, a D-NBFC is also required to file Quarterly Return in Form NBS 2 for with respect to the requirements of Capital Funds, Risk Assets, Asset Classification etc., as set under Prudential Norms. An D-NBFC is also required to file a Quarterly Return on Statutory Liquid Assets as per Section 45 IB of the RBI Act in Form NBS-3

The aforementioned returns are required to be filed within 15 days from the end of the respective quarter.

Further, every NBFC is required to prepare its balance sheet and profit and loss account as on March 31 every year. Further, every NBFC shall finalise its balance sheet within a period of 3 months from the date to which it pertains.

Further, in addition to the auditor's report under Section 227 of the Companies Act, the auditors are also required to make a separate report to the Board of Directors on certain matters, like the public deposits accepted by the company are within limit prescribed by RBI, whether the company has defaulted in paying any interest or principal on Deposit, has the Company complied with the prudential norms, compliance with the liquid assets requirement as prescribed by RBI, whether the Company has furnished the returns to the RBI within prescribed time limit, correctness of the capital adequacy ratio and its compliance with the minimum CRAR, as may be prescribed by the RBI.

Asset Liability Management

The RBI has prescribed the Guidelines for Asset Liability Management ("ALM") System in relation to NBFCs ("ALM Guidelines") that are applicable to all NBFCs through a Master Circular on Miscellaneous Instructions to All Non-Banking Financial Companies dated July 02, 2012. As per this Master Circular, the NBFCs (engaged in and classified as equipment leasing, hire purchase finance, loan, investment and residuary non-banking companies) meeting certain criteria, including, an asset base of Rs. 100 Crores, irrespective of whether they are accepting / holding public deposits or not, are required to put in place an ALM system.

Anti Money Laundering

The RBI has issued a Master Circular dated July 02, 2012 to ensure that a proper policy frame work for the Prevention of Money Laundering Act, 2002 ("**PMLA**") is put into place. The PMLA seeks to prevent money laundering and provides for confiscation of property derived from, or involved in money laundering and for other matters connected therewith or incidental thereto. It extends to all banking companies, financial institutions, including NBFCs and intermediaries.

Pursuant to the provisions of PMLA and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of proper record:

- (i) for all cash transactions of value of more than Rs. 10 Lakhs;
- (ii) all series of cash transactions integrally connected to each other which have been valued below Rs. 10 Lakhs where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds Rs. 10 Lakhs;
- (iii) all cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine and where any forgery of a valuable security has taken place;
- (iv) all suspicious transactions whether or not made in cash and in manner as mentioned in the Rules framed by Government of India under the PMLA.. Further, all NBFCs are required to take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Further, NBFCs are also required to maintain for at least ten years from the date of cessation of transaction between the NBFCs and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least ten years after the business relationship is

ended. The identification records and transaction data is to be made available to the competent authorities upon request.

II. Foreign Investment Regulations

Foreign direct investment (including foreign institutional investment, investments by non-resident Indians, persons of Indian origin and overseas corporate bodies) ("**FDI**") in an Indian company is governed by the provisions of the Foreign Exchange Management Act, 1999 ("**FEMA**") read with the Consolidated Foreign Direct Investment Policy effective from April 02, 2012 ("**FDI Policy**") issued by the Department of Industrial Promotion and Policy, Ministry of Commerce, Government of India ("**DIPP**"). FDI is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which FDI is sought to be made.

Under the automatic route, no prior Government approval is required for the issue of securities by Indian companies/ acquisition of securities of Indian companies, subject to the sectoral caps and other prescribed conditions. Investors are required to file the required documentation with the RBI within 30 days of such issue/ acquisition of securities.

However, if the foreign investor has any previous joint venture/ tie-up or a technology transfer/ trademark agreement in the "same field" in India, prior approval from the FIPB is required even if that activity falls under the automatic route, except as otherwise provided.

Under the approval route, prior approval from the FIPB or RBI is required. FDI for the items/activities that cannot be brought in under the automatic route may be brought in through the approval route.

Approvals are accorded on the recommendation of the FIPB, which is chaired by the Secretary, DIPP, with the Union Finance Secretary, Commerce Secretary and other key Secretaries of the Government of India as its members.

As per the sector specific guidelines of the Government of India, the following are the relevant norms applicable for FDI in NBFCs:

FDI investments upto 100% of the paid-up share capital of the NBFC is allowed under the automatic route in the following NBFC activities:

- (i) Merchant Banking;
- (ii) Underwriting;
- (iii) Portfolio Management Services;
- (iv) Investment Advisory Services;
- (v) Financial Consultancy;
- (vi) Stock Broking;
- (vii) Asset Management;
- (viii) Venture Capital;
- (ix) Custodial Services;
- (x) Factoring;
- (xi) Credit rating Agencies;
- (xii) Leasing and Finance;
- (xiii) Housing Finance;
- (xiv) Forex Broking;
- (xv) Credit card business;
- (xvi) Money changing Business;
- (xvii) Micro Credit; and
- (xviii) Rural Credit.

Other Conditions: Investment would be subject to the following minimum capitalisation norms:

- (i) US \$0.5 million for foreign capital up to 51% to be brought upfront
- (ii) US \$ 5 million for foreign capital more than 51% and up to 75% to be brought upfront
- (iii) US \$ 50 million for foreign capital more than 75% out of which US\$ 7.5 million to be brought upfront and the balance in 24 months.
- (iv) 100% foreign owned NBFCs with a minimum capitalisation of US\$ 50 million can set up step down subsidiaries for specific NBFC activities, without any restriction on the number of operating subsidiaries and without bringing in additional capital. Here minimum capitalization condition shall not apply to downstream subsidiaries.
- (v) Joint Venture operating NBFCs that have 75% or less than 75% foreign investment can also set up subsidiaries for undertaking other NBFC activities, subject to the subsidiaries also complying with the applicable minimum capitalisation norm mentioned in (i), (ii) and (iii) above and (vi) below.

(vi) Non- Fund based activities : US \$0.5 million to be brought upfront for all permitted non-fund based NBFCs irrespective of the level of foreign investment subject to the following condition:

It would not be permissible for such a company to set up any subsidiary for any other activity, nor can it participate in any equity of an NBFC holding/operating company.

Note: The following activities would be classified as Non-Fund Based activities:

- (a) Investment Advisory Services
- (b) Financial Consultancy
- (c) Forex Broking
- (d) Money Changing Business
- (e) Credit Rating Agencies

(vii) This will be subject to compliance with the guidelines of RBI.

Foreign investment into an Indian company, engaged only in the activity of investing in the capital of other Indian company/ies, will require prior Government/FIPB approval, regardless of the amount or extent of foreign investment

For infusion of foreign investment into an Indian company which does not have any operations and also does not have any downstream investments, Government/FIPB approval would be required, regardless of the amount or extent of foreign investment. Further, as and when such a company commences business(s) or makes downstream investment, it will have to comply with the relevant sectoral conditions on entry route, conditionalities and caps.

III. Labour Regulations

Shops and establishments regulations

The provisions of Bombay Shops and Establishments Act, 1948, as amended from time to time, regulate the conditions of the work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work. The company is in compliance with the provisions of the Bombay Shops and Establishments Act, 1948.

Minimum Wages Act, 1948

The Minimum Wages Act, provides for prescribing the minimum rates of wages payable to the employees employed in Scheduled Employment. It also provides maintenance of records and registers and hours of work overtime, etc., in the interest of the workers. The Act also provides penalty for the non-payment of Minimum rates of wages and non-maintenance of records. Since the Company being a Commercial Establishment, falls within the ambit of Scheduled Employment, it is therefore required to comply with the provisions contained in the Minimum Wages Act.

MISCELLANEOUS

Profession Tax

The Company is governed by the provisions of Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 (Profession Tax). It is a tax on Professions, Trades, Callings and Employments for raising the resources needed for implementing the Employment Guarantee Scheme of the Maharashtra State Government and to provide for establishment of the Employment Guarantee Fund. Every employer registered under the Profession Tax is required to furnish to the prescribed authority, a return in such form, for such periods and by such dates as may be prescribed, showing therein the salaries and wages paid by him and the amount of tax deducted by him in respect thereof.

Trade Marks Act

The Trade Marks Act, 1999 (Trademark Act) governs the statutory protection of trademarks in India. In India, trademarks enjoy protection under both statutory and common law. Indian trademarks law permits the registration of trademarks for goods and services. Certification trademarks and collective marks are also registerable under the Trademark Act. An application for trademark registration may be made by any person claiming to be the proprietor of a trademark and can be made on the basis of either current use or intention to use a trademark in the future. The registration of certain types of trade marks are absolutely prohibited, including trademarks that are not distinctive and which indicate the kind or quality of the goods.

Applications for a trademark registration may be made for in one or more international classes. Once granted, trademark registration is valid for ten years unless cancelled. If not renewed after ten years, the mark lapses and the registration for such mark has to be obtained afresh. While both registered and unregistered trademarks are protected under Indian law, the registration of trademarks offers significant advantages to the registered owner, particularly with respect to proving infringement. Registered trademarks may be protected by means of an action for infringement, whereas unregistered trademarks may only be protected by means of the common law remedy of passing off.

HISTORY AND CORPORATE STRUCTURE OF OUR COMPANY

HISTORY AND MAJOR EVENTS

Incorporated as 'Money Masters Leasing & Finance Private Limited' at Mumbai on October 26, 1994 under the Companies Act, 1956 with the Registrar of Companies, Maharashtra. On February 09, 1996 the name of the Company was changed to 'Money Masters Leasing & Finance Limited'.

Changes in the Registered Office since incorporation

At the time of incorporation our Company was situated at 1/18, Rizvi Park, S.V. Road, Santa Cruz (West), Mumbai-400054. The Registered Office of the Company was shifted to its present address at 4, Akash Deep, Ground Floor, TPS VI, Road No. 1, Milan Subway, Santacruz (West), Mumbai-400054 vide the resolution passed in the Board Meeting dated October 01, 2011, with immediate effect.

1. Major Events

| Date/Period | Activities |
|--------------------|--|
| October 26, 1994 | Incorporated as Private Limited Company under the Companies Act, 1956 in the name of 'Money Masters Leasing & Finance Private Limited'. |
| February 09, 1996 | The name of the Company was changed to its present name 'Money Masters Leasing & Finance Limited'. |
| July 31, 1998 | Received RBI License to carry on business of Non-banking financial institution as per section 45-IA (2) of RBI Act, 1934. |
| March 27, 2000 | The company was given BB rating by CARE, thus, company could not accept any public deposits. Therefore, company decided to start repaying public deposits on their maturity and not renewing any public deposits until the credit rating changes. |
| January 24, 2003 | Board of Directors authorized for commencing and undertaking the business included in the newly inserted sub-clauses 89 to 101 in clause III(C) of the MOA at the time and in the manner they deem fit. |
| September 04, 2007 | Fresh certificate issued by RBI in lieu of the certificate dated July 31, 1998. |
| October 01, 2011 | Registered office of the company changed from I/18, Rizvi Park , S.V Road Santacruz(W), Bombay-400054 and form 18 has been filled with ROC, Maharashtra to 4, Akash Deep, Ground Floor, TPS VI, Road No. 1, Milan Subway, Santacruz (West), Mumbai-400054. |
| December 27, 2011 | The Company discontinued acceptance of Deposits from the Public |

Changes in Memorandum & Articles of Association of the Company

| S. No. | Date of Alteration | Nature of Alteration |
|--------|--------------------|---|
| 1. | 13-Oct-1995 | Change in Clause V of the Memorandum of Association on increase of the Authorised Share Capital of the Company from Rs 5 lacs to Rs 100 lacs. |
| 2. | 13-Oct-1995 | Change in Article 3 of the Article of Association on increase of the Authorised Share Capital of the Company from Rs. 5 lacs to Rs 100 lacs. |
| 3. | 12-Sept-1998 | Change in Clause V of the Memorandum of Association on increase of the Authorised Share Capital of the Company from Rs 100 lacs to Rs 300 lacs. |
| 4. | 12-Sept-1998 | Change in Article 3 of the Article of Association on increase of the Authorised Share Capital of the Company from Rs. 100 lacs to Rs 300 lacs. |
| 5. | 29-Sept-2001 | Change in Clause V of the Memorandum of Association on increase of the Authorised Share Capital of the Company from Rs 100 lacs to Rs 300 lacs. |
| 6. | 29-Sept-2001 | Change in Article 3 of the Article of Association on increase of the Authorised Share Capital of the Company from Rs. 100 lacs to Rs 300 lacs. |
| 7. | 24-Jan-2003 | Changes in Memorandum of Association on insertion of new sub-clauses 89 to 101 after the existing sub-clause 88 of Clause III (C) of the MOA of company. |
| 8. | 15-Mar-2010 | Change in Clause V of the Memorandum of Association on account of reclassification of Authorised Share Capital of the Company from existing Rs. 500 Lacs divided into 30 Lacs Equity Shares of Rs. 10 each and 2 Lac Preference Shares of Rs. 100 each to Rs. 500 Lacs divided into 50 Lac Equity Shares of Rs. 10 each |

| | | |
|-----|--------------|--|
| 9. | 15-Mar-2010 | Alteration in Articles of Association of the Company by substituting Article 3 of the Article of Association with new Article 3. |
| 10. | 01-Mar-2011 | Change in Clause V of the Memorandum of Association on account of reclassification of Authorised Share Capital of the Company from existing Rs. 500 Lacs divided into 50 Lacs Equity Shares of Rs. 10 each to Rs. 500 Lacs divided into 40 Lac Equity Shares of Rs. 10 each and 10 lac Preference Shares of Rs. 10 each |
| 11. | 30-Sept-2011 | Change in Clause V of the Memorandum of Association on increase of the Authorised Share Capital of the Company from Rs 500 lacs to Rs 700 lacs. |
| 12. | 20-Nov-2012 | Change in Clause V of the Memorandum of Association on account of reclassification of Authorised Share Capital of the Company from existing Rs. 700 Lacs divided into 40 Lac Equity Shares of Rs. 10 each and 30 Lac Preference Shares of Rs. 10 each to 48 Lacs Equity Shares of Rs. 10 each and 22 Lac Preference Shares of Rs. 10 each. Further, Increase in Equity Share Capital by Rs. 40 Lacs divided into 4 Lac Equity Shares of Rs. 10 each. |
| 13. | 20-Nov-2012 | Change in the Article of Association by insertion of new paragraph in Article 3 and substitution of existing Article 37, Article 56 and sub-clause (c) of Article 171. |
| 14. | 25-Mar-2013 | Change in Clause V of the Memorandum of Association on account of reclassification of Authorised Share Capital of the Company from existing Rs. 740 Lacs divided into 52 Lacs Equity Shares of Rs. 10 each and 22 Lac Preference Shares of Rs. 10 each to Rs. 740 Lacs divided into 44 Lac Equity Shares of Rs. 10 each and 30 Lac Preference Shares of Rs. 10 each. |
| 15. | 05-Apr-13 | Change in Clause V of the Memorandum of Association on increase of the Authorised Share Capital of the Company from Rs 740 lacs to Rs 750 lacs. |

2. Holding and Subsidiaries of the Company and their business

NIL

3. Corporate profile of the Company

→ Description of the activities of the Company

The company's main area of business activity and excellence has been asset financing which constitutes the major part of its turnover. Company caters mainly to the needs of small and medium business enterprises. The company also helps entrepreneurs in beginning business by providing finance against machineries etc. It also specializes in consumer finance and other core areas of revenue generation. Spreading out the investments in these fields minimizes the risk factors and also serves a greater social cause. Deployment of funds is mainly for income generation activities. Till date the company has financed around 3000 auto rickshaws on hire purchase. The funds are mainly deployed in Asset Financing/ Hire purchase of Auto rickshaw, Computers, Equipments etc. Our company has no speculative investments.

→ Nature of our Products

Our products are typically directed at Individuals and small corporate entities.

Product Portfolio

We provide financing on Hire Purchase basis for the following categories of assets:

- Auto Rickshaws
- Computers
- Industrial Machinery and Tools
- Cars
- Equipments

Details of growth of the Company

From the last three years the Company had been showing a constant growth trend. In the year 2009-10, the turnover of the Company (excluding other income) was Rs. 106.98 lacs, which increased to Rs. 112.34 Lacs in the year 2010-11 and to Rs. 128.51 Lacs in the year 2011-12. In 2009-10, there was a Net Profit of Rs. 9.82 Lacs which decreased to Rs. 2.24 Lacs in the year 2010-11 and then increased to Rs. 11.06 Lacs in the year 2011-12.

Our main competitors are small cooperative Banks and credit societies.

Comparison table vis-a-vis our listed peers (for the financial year ended on March 31, 2012)

| | Money Masters Leasing & Finance Limited | Confidence Trading Co. Ltd. | Focus Industrial Resources Limited | Hasti Finance Limited |
|--------------------------------|--|------------------------------------|---|------------------------------|
| Revenues (Rs. Cr.) | 1.28 | 0.90 | 1.30 | 3.10 |
| Net Profit after Tax (Rs. Cr.) | 0.14 | 0.30 | 0.20 | 1.50 |

**Source: Capital Market, Vol. XXVIII/07, dated May 27-June 09, 2013; Sector-Finance and Investments*

4. Technology arrangements

There are no technological arrangements by our company.

5. Injunction or restraining orders: RBI, vide its letter dated December 19, 2011 bearing reference no. DNBS.MRO.NO.2282/02.13.057/2011-12 had prohibited the Company from accepting fresh public deposits with immediate effect and from alienating its assets without Reserve Bank's prior permission.

6. Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets etc: Nil

7. Our Company has 117 shareholders as on the date of filing the Draft Prospectus with BSE.

8. Main Objects of the Company

To carry on and undertake the business of finance, hire-purchase, leasing and to finance lease operations of all kinds, purchasing, selling, hiring or letting on hire all kinds of plant and machinery and equipment that the company may think fit and to assist in financing of all and every kind and description of hire purchase or deferred payment or similar transactions and to subsidies, finance or assist in subsidising or financing the sale and maintenance of any goods, articles.

9. Shareholders Agreement

Nil

10. Other Agreements

Except the Contracts / Agreements entered into in the ordinary course of the business carried on or intended to be carried on by the Company, the Company has not entered into any other Agreement / Contract.

11. Strategic Partners

There are no strategic partners of the Company.

12. Financial Partners

There are no financial partners of the Company.

OUR MANAGEMENT

BOARD OF DIRECTORS

Money Masters Leasing & Finance Limited is a professionally managed organization. The Company functions under the control of a Board of Directors. The day to day matters are looked after by qualified key personnel, under the supervision of the Managing Director.

| Name, Fathers' name, Designation, Experience, Occupation, Address | Age (In Years) | Qualifications | DIN | Details of directorships in other companies |
|--|-----------------------|--|------------|--|
| Hozef Abdulhussain Darukhanawala, (S/o: Abdulhussain Habib Darukhanawala) Designation: Managing Director Status: Promoter Director Experience: 35 years Occupation: Business Address: 2-B, Crystal CHS, Juhu Road, Next to Santacruz Police Station, Santacruz (West), Mumbai-400054 | 54 Years | Graduate | 00177029 | Nil |
| Durriya Hozefa Darukhanawala, (W/o: Hozef Abdulhussain Darukhanawala) Designation: Director Status: Promoter Director Experience: 15 years Occupation: Business Address: 2-B, Crystal CHS, Juhu Road, Next to Santacruz Police Station, Santacruz (West), Mumbai-400054 | 49 Years | Graduate | 00177073 | Nil |
| Dr. Nathmal Gokuldas Lohia (S/o: Gokuldas Narsingdas Lohia) Designation: Director Status: Independent Director Experience: 45 years Occupation: Industrialist Address: 8, Golden Beach Bungalows, Ruia Road, Juhu, Mumbai -400049 | 77 years | Ph.D from Nagpur University in Insurance and Housing Finance | 00177112 | Nil |

| | | | | |
|---|----------|--------------------|----------|-----|
| Dr. Sadhana Nathmal Lohia (D/o: Dr. Nathmal Gokuldas Lohia) Designation: Director Status: Independent Director Experience: 12 years Occupation: Consulting Homoeopath Address: 8, Golden Beach Bungalows, Ruia Road, Juhu, Mumbai -400049 | 38 years | Doctor of Medicine | 00177146 | Nil |
|---|----------|--------------------|----------|-----|

Details of current and past directorship(s) of the above Directors in listed companies whose shares have been / were suspended from being traded on the Bombay Stock Exchange Ltd./National Stock Exchange of India Ltd.

Nil.

Details of current and past directorship(s) of the above Directors in listed companies which have been/ were delisted from the stock exchange(s)

Nil.

Nature of any family relationship between any of the Directors:

Mr. Hozef Abdulhussain Darukhanawala is the husband of Mrs. Durriya Hozefa Darukhanawala.
Dr. Nathmal Gokuldas Lohia is the father of Dr. Sadhana Nathmal Lohia

Details of arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which of the Directors was selected as a director or member of senior management.

→ Nil

There are no service contracts entered into by the directors with the company providing for benefits upon termination of employment.

Details of Borrowing Powers

In terms of the Articles of Association, the Board may, from time to time, at its discretion raise or borrow any sum or sums of money for the purposes of the Company and subject to the provisions of the Companies Act may secure payment or repayment of the same in such manner and terms as prescribed by the Board of Directors, in particular by issue of bonds, debentures or debenture-stock of the Company either secured or unsecured by a mortgage or charge over all or any of the property of the Company including its uncalled capital for the time being, and debenture-stock bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Vide a resolution passed at the General Meeting of the Company held on April 05, 2013, consent of the members of the Company was accorded to the Board of Directors of the Company pursuant to Section 293(1)(a) of the Companies Act, 1956 for authorising and empowering them to mortgage and/or charge movable or immovable properties of the Company wheresoever situated, present and future, and to sell, lease or otherwise dispose off the whole or substantial whole of the undertakings of the Company or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking(s) and to create a mortgage and/or charge on such terms and conditions and at such times and in such form and manner and with such ranking as to priority as the Board may in its absolute discretion thinks fit on the whole or substantially the whole of the company's any one more of the undertakings or all of the undertakings of the Company in favour of any bank(s) or body(ies) corporate or person(s), together with interest, cost, charges and expenses thereon for an amount not exceeding Rs. 50 Crs at any point of time.

Vide a resolution passed at the Extra Ordinary General Meeting of the Company held on November 20, 2012, consent of the members of the Company was accorded to the Board of Directors of the Company pursuant to Section 293(1)(d) of the Companies Act, 1956 for borrowing from time to time

any sums of money which together with money already borrowed by the company shall not exceed in the aggregate at any time Rs. 100 Crore in excess of Paid up Capital and free Reserves.

Compensation of Managing Director

The remuneration of the following Executive Director is as per the terms of appointment contained below:

Mr. Hozef Abdulhussain Darukhanawala, Managing Director

Mr. Hozef Abdulhussain Darukhanawala is paid remuneration of Rs. 75,000 per month under the terms of the Board resolution dated June 20, 2012 with effect from July 01, 2012.

Besides the above, Mr. Hozef Abdulhussain Darukhanawala is getting dividend from the Company, as and when declared, in his capacity of a shareholder of the Company.

No portion of the compensation as mentioned above was paid pursuant to a bonus or profit-sharing plan.

For the purpose of calculating the ceiling perquisites shall be evaluated as per income tax rules wherever applicable and in absence of any such rule the same shall be evaluated at actual cost. The above said remuneration and perquisites shall be subject to the ceiling laid down in sections 198, 309 and other applicable provisions as may be amended from time to time.

Shareholding of the Directors

| S. No. | Name | No. of Shares Held |
|---------------|----------------------------------|---------------------------|
| 1. | Hozef Abdulhussain Darukhanawala | 1198050 |
| 2. | Durriya Hozefa Darukhanawala | 443300 |
| 3. | Dr. Nathmal Gokuldas Lohia | Nil |
| 4. | Dr. Sadhana Nathmal Lohia | Nil |

Qualification Shares required to be held by Directors

Directors are not required to hold any qualification shares.

Interest of directors

Mr. Hozef Abdulhussain Darukhanawala and Mrs. Durriya Hozefa Darukhanawala are the present promoters of Money Masters Leasing & Finance Limited.

There are no sums paid or agreed to be paid to Mr. Hozef Abdulhussain Darukhanawala and Mrs. Durriya Hozefa Darukhanawala in cash or shares or otherwise by any person either to induce them to become, or to qualify them as, a director, or otherwise for services rendered by them in connection with the promotion or formation of the Money Masters Leasing & Finance Limited.

All the Directors may be deemed to be interested to the extent of fees payable to them, if any, for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them, if any, under the Articles of Association, and to the extent of remuneration paid to them, if any for services rendered as an officer or employee of the Company.

The Directors may also be regarded as interested in the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as Directors, members, partners, trustees and Promoter, pursuant to this Issue. All of 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 said Equity Shares.

The Directors have no interest in any property acquired by the Company within two years of the date of this Draft Prospectus.

Except as stated in the section titled "Related Party Transactions" on page 95 of this Draft Prospectus, the Directors do not have any other interest in the business of the Company.

The Company has entered into a Leave and License Agreement for its registered office with one of its Promoter Directors being a party to the Agreement and a monthly rent is paid on that account. The

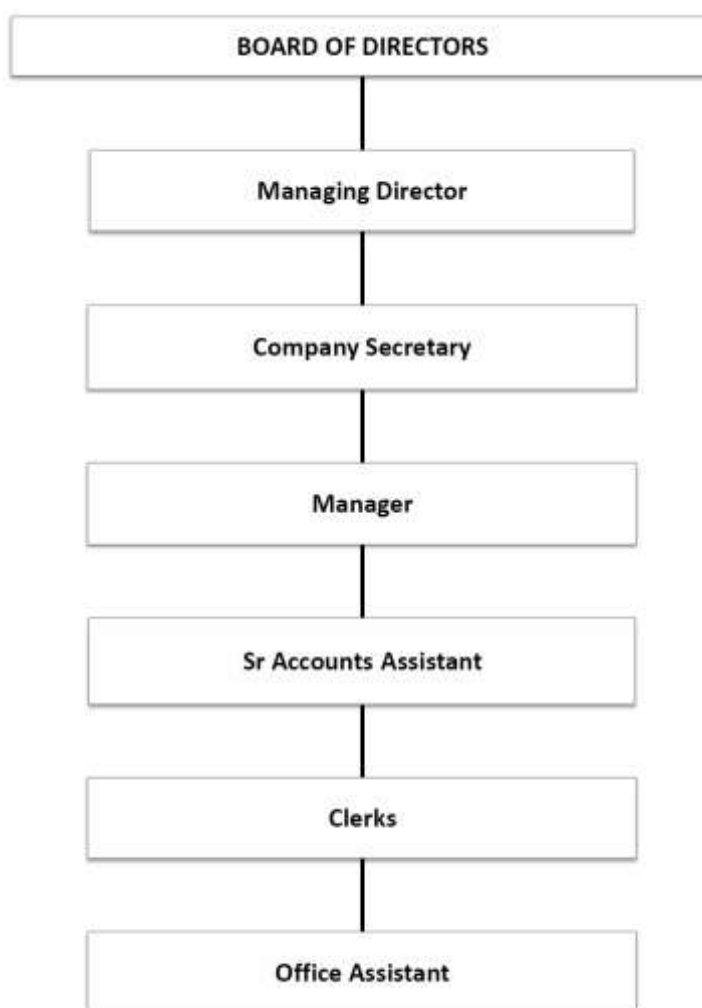
details of the same are mentioned in the Section "Business Overview" on page 48 of this Draft Prospectus. The Company has not entered into any other contract, agreement or arrangement during the preceding two years from the date of the Draft Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them other than contracts in the normal course of business and being permitted as per the current rules and regulations governing the same.

Changes in the Board of Directors in the last 3 years

The following are the changes in the Board of Directors in the last 3 years. To maintain brevity and to avoid any confusion, this table does not enumerate the instances where the Status or Designation of the Director has been changed or when the appointment of an Additional Director has been regularized.

| S. No | Name, Address & DIN | Date of Appointment | Date of Cessation | Reason |
|--------------|---|----------------------------|--------------------------|---------------|
| 1. | Name : Tasneem Lakdawala Address: 78/82, 2 nd Floor, Noori Apartment, Next to Omkar Apartment, Mumbai 400009, Maharashtra DIN: 00281620 | 08-Jul-05 | 06-Apr-13 | Resignation |

Management Organisation Structure



COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with the requirements of the applicable regulations, including the SME Listing Agreement to be entered into with the BSE SME 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.

The Company has a Board constituted in compliance with the Companies Act and SME Listing Agreement to be entered into with the BSE SME and in accordance with best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. The executive management of the Company provides the Board detailed reports on its performance periodically.

Under the Articles of Association, our Company is required to have not more than 12 (Twelve) Directors. Our Company currently has 4 (four) Directors. We confirm that the composition of our Board of Directors complies with Clause 52 of the SME Listing Agreement.

Currently, the Board of Directors has four Directors and the Chairman of the Board of Directors is an Non-Executive Director. In compliance with Clause 52 of the SME Listing Agreement, the Company has 1 Executive Director, 1 Non Executive and Non Independent Director and 2 Independent Directors on its Board of Directors.

Composition of Board of Directors

The Board of Directors of the Company consists of 4 (Four) Directors and has an optimum combination of executive and non-executive Directors as envisaged in Clause 52 of the SME Listing Agreement. Accordingly not less than one half of the Board of Directors comprises of non-executive and Independent Directors. 2 (two) of the Directors on the Board are Independent Directors.

| S.NO | NAME OF DIRECTOR | DESIGNATION | STATUS* |
|------|--------------------------------------|-------------------|----------------------|
| 1. | Mr. Hozef Abdulhussain Darukhanawala | Managing Director | Promoter Director |
| 2. | Mrs. Durriya Hozefa Darukhanawala | Chairman | Promoter Director |
| 3. | Dr. Nathmal Gokuldas Lohia | Director | Independent Director |
| 4. | Dr. Sadhana Nathmal Lohia | Director | Independent Director |

* As per Clause 52 of the SME Listing Agreement

Committees of the Board- Presently the Board has four committees, the details of which are as under:

(I) AUDIT COMMITTEE

The Audit committee was constituted on April 01, 2010 and was reconstituted on April 06, 2013. The present members of the Audit Committee are:

| Sr. No | Name of the Director | Designation in Committee | Nature of Directorship |
|--------|----------------------------------|--------------------------|------------------------|
| 1. | Dr. Nathmal Gokuldas Lohia | Chairman | Independent Director |
| 2. | Dr. Sadhana Nathmal Lohia | Member | Independent Director |
| 3. | Hozef Abdulhussain Darukhanawala | Member | Promoter Director |

Subject to the review by the Board from time to time, the 'Audit Committee' shall have the following terms of reference: -

1. Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that financial information is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
8. 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.
9. Discussion with internal auditors any significant findings and follow up there on.
10. 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.
11. 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.
12. 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.
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

POWERS

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

FUNCTIONS

1. Audit Committee shall review the half-yearly and annual financial statements and submit the same to the Board with its recommendations, if any;
2. Audit Committee shall conduct discussions with the auditors periodically about internal control systems, the scope of audit and the observations of the auditors;
3. Audit Committee shall invite the auditors, Chief Financial officer and such other executives as it considers necessary to be present at its meetings and participate in their discussions without any right to vote;
4. Chairman of the Audit Committee shall attend AGM of the Company to provide any clarification on matters relating to audit to the shareholders; and
5. The recommendations of the 'Audit Committee' on any matter relating to financial management shall be binding on the Board.

Meetings of the audit committee in the last one year:

The audit committee met 5 (Five) times in the last one year.

(II) REMUNERATION COMMITTEE

The Remuneration Committee was constituted by a meeting of the Board of Directors held on April 01, 2010. The members of the Remuneration Committee are:

| Sr. No | Name of the Director | Designation in Committee | Nature of Directorship |
|---------------|------------------------------|---------------------------------|-------------------------------|
| 1. | Dr. Sadhana Nathmal Lohia | Chairman | Independent Director |
| 2. | Dr. Nathmal Gokuldas Lohia | Member | Independent Director |
| 3. | Durriya Hozefa Darukhanawala | Member | Promoter Director |

The terms of reference of the Remuneration Committee are as follows:

1. Determination of our Company's remuneration policy, having regard to performance standards and existing industry practice. Under the existing policies of our Company, the Remuneration Committee, inter alia, determines the remuneration payable to our Directors;
2. Framing policies and compensation including salaries and salary adjustments, incentives, bonuses, promotion, benefits, stock options and performance targets of the top executives; and;
3. Formulating strategies for attracting and retaining employees, employee development programmes.

Meetings of the remuneration committee in the last one year:

The remuneration committee met 1 (one) time in last one year.

(III) SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Shareholders'/Investors' Grievance Committee was constituted on April 15, 2013.

The members of the Shareholders'/Investors' Grievance Committee are:

| Sr. No | Name of the Director | Designation in Committee | Nature of Directorship |
|---------------|----------------------------------|---------------------------------|-------------------------------|
| 1. | Dr. Sadhana Nathmal Lohia | Chairman | Independent Director |
| 2. | Dr. Nathmal Gokuldas Lohia | Member | Independent Director |
| 3. | Hozef Abdulhussain Darukhanawala | Member | Promoter Director |

The role of the above committee shall include the following:

1. It shall have the authority to investigate into any matter in relation to transfer/transmission of securities or referred to it by the Board and for this purpose, shall have full access to information contained in the records of our Company and external professional advice, if necessary.
2. To approve the requests pertaining to Rematerialization of shares, requests received for issuance of renewed and duplicate share certificates, subdivision, consolidation.
3. To investigate any activity within its terms of reference.
4. To seek information from share transfer agents.
5. To approve issue of duplicate share certificates and to oversee and review all matters connected with the transfer, transmission and issue of securities.
6. To approve share transfer / transmission of securities periodically, whether by circular resolution or otherwise.
7. To look into redressing of shareholders' complaint like transfer of shares, non-receipt of balance sheet, non receipt of declared dividends, etc.
8. To oversee the performance of the Registrar and Transfer Agents and recommend measures for overall improvement in the quality of investors services.

Meetings of the Shareholders'/Investors' Grievance Committee in the last one year:

The Shareholders'/Investors' Grievance Committee did not have any meeting in last one year.

(IV) IPO COMMITTEE

The IPO Committee was constituted on August 14, 2012. The IPO Committee has been constituted for the purpose of taking all necessary steps in relation to the proposed initial public offer.

However, in exceptional circumstances where it is not possible for the members of the IPO committee to meet due to any unforeseen circumstances like want of quorum, or any other reason, the Managing Director of the Company shall have absolute power to exercise all the powers vested in the IPO Committee.

The IPO Committee comprises of the following members:

| Sr. No | Name of the Director | Designation in Committee | Nature of Directorship |
|---------------|----------------------------------|---------------------------------|-------------------------------|
| 1. | Hozef Abdulhussain Darukhanawala | Chairman | Promoter Director |
| 2. | Dr. Nathmal Gokuldas Lohia | Member | Independent Director |
| 3. | Dr. Sadhana Nathmal Lohia | Member | Independent Director |

Scope and terms of reference: The IPO Committee exercises powers in relation to the matters listed below:

To take all steps and to do all acts, deeds, matters and things and to sign all documents, agreements, contracts, deeds, documents, declarations, affidavits, undertakings, appointment letters, applications, forms and papers, amongst others, and also to take decisions and issue clarifications on all issues and matters in connection with the Issue including but not limited to the following:

1. Positioning of the initial public offering including appointing all intermediaries for the Issue including Lead Managers, Legal Advisor, Registrar to the Issue, Bankers to the Issue, Underwriters, Market Makers, Printers, Advertising Agency among others, and approval of expenses related thereto;
2. Finalizing the time-lines for the Issue in consultation with the Lead Manager and other concerned intermediaries;
3. Ensuring and finalizing all disclosures to be made in the Draft Prospectus, and the Prospectus to be filed with SEBI and the RoC as per the requirements of the SEBI (ICDR) Regulations, 2009, Companies Act and other applicable laws;
4. Deciding the capital structure of the Company including the size of the Issue, in consultation with the Lead Manager, among others;
5. Deciding the objects of the Issue, the use of the Issue proceeds and the deployment of funds raised in the Issue and changes therein, if any, among others;
6. Deciding the Issue Price and other terms of the Issue in consultation with the Lead Manager;
7. Finalizing and approving the Issue expenses in consultation with the Lead Manager;
8. Filing of applications to the stock exchanges for obtaining "in-principle approval" and listing of the shares, among others and ensuring compliance with the Listing Agreement including constituting the various committees under clause 52 of the SME Listing Agreement with the Stock Exchanges; and
9. Taking decisions on and resolving all such questions, difficulties on all matters in relation to the proposed Issue and offer for sale, issuing explanations and clarifications to SEBI, the RBI, the stock exchange, the RoC, and all other regulatory authorities and government offices, among others, in connection with any matter relating to disclosures in the Draft Prospectus and the Prospectus, or any other matter, issue and grievance related to or incidental with the Issue or listing of the shares of the Company, among others.

Compliance with SME Listing Agreement

The Company in terms of this Draft Prospectus intends to list its equity shares on BSE and comply with the requirements under the Listing Agreement to be entered into with BSE. Further, we are in compliance with clause 52 of the SME Listing Agreement to the extent applicable to a company seeking listing for the first time.

Key Management Personnel

Besides the Managing Director, the following are the Key Management Personnel of the Company:

| Sl. No. | Name, Designation, Qualification | Date of Joining | Age (Years) | Term of office with date of expiration of term | Details of service contracts including termination /retirement benefits | Experience (yrs) | Previous Employment |
|---------|--|---------------------|----------------|---|---|---------------------|--|
| 1. | Minakshi Muchhal Company Secretary and Compliance Officer | May 01, 2013 | 23 | Upon Superannuation | N/A | 0.5 | Perfect Octave Media Private Limited |
| 2. | Anjum Syed Manager B.Com | November 9, 2009 | 39 | Upon Superannuation | N/A | 18 | Bombay Mercantile Cooperative Bank |

Ms. Minakshi Muchhal, aged 23, is a Associate member of the Institute of Company Secretaries of India. She joined Money Masters Leasing & Finance Limited on May 01, 2013 as a Company Secretary and Compliance Officer and continues to work in the same capacity. Prior to joining the Company, she worked with M/s Perfect Octave Media Private Limited. She is experienced in secretarial and corporate law matters.

Ms. Anjum Syed, aged 39, is a Commerce Graduate from Bombay University. She joined Money Masters Leasing & Finance Limited on November 09, 2009 as a Manager and continues to work in the same capacity. Prior to joining the Company, she worked with M/s Bombay Mercantile Cooperative Bank. She is experienced in Banking and related activities. During the Fiscal 2012, she was paid compensation of around Rs. 2 Lacs by the Company.

Nature of any family relationship between any of the Key Managerial Personnel:

None of the Key Managerial Personnel are related to each other.

Details of any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the key managerial personnel, was selected as a director or member of senior management

NIL

No compensation was paid to the Key Managerial Personnel in the last financial year pursuant to a bonus or profit-sharing plan

All the Key Managerial Personnel as stated above are Permanent employees of the Company.

Shareholding of Key Managerial Personnel

None of the Key Managerial Personnel have any shareholding in the Company except as mentioned in the shareholding of the Directors as mentioned in the section "Our Management" on page 63 of this Draft Prospectus.

Bonus or profit sharing plan of the Key Management Personnel

The Company does not have any bonus or profit sharing plan of the Key Management Personnel.

Interests of Key Management Personnel

The key management personnel of the Company, do not have any interest in the Company other than to the extent of the remuneration, employee stock options held, if any, Equity Shares allotted under employee stock purchase scheme or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

None of the key management personnel have been paid any consideration of any nature from the Company, other than their remuneration.

Changes in the Key Management Personnel

The changes in the key management personnel in the last three years are as follows:

| Sl. No. | Name | Date of | | Reason |
|---------|-----------------------|------------------|----------------|-----------|
| | | Joining | Leaving | |
| 1. | Amita Haribhau Mhatre | November 1, 2012 | March 31, 2013 | Resigned |
| 2. | Minakshi Muchhal | May 01, 2013 | - | Appointed |

Employees

Employee Stock Option Scheme and Employee Stock Purchase Scheme

The Company does not have any Employee Stock Option Scheme and Employee Stock Purchase Scheme.

Other Benefits to the Officers of the Issuer Company

Except the payment of salaries and perquisites, no amount or benefit has been paid or given within the two preceding years or intended to be paid or given to any employee and there is no consideration for payment of giving of the benefit.

OUR PROMOTERS AND PROMOTER GROUP

Promoters

The following are the Promoters of the Company:

1. Mr. Hozef Abdulhussain Darukhanawala; and
2. Mrs. Durriya Hozefa Darukhanawala; and

Promoter Group

The following natural persons, HUFs, companies and partnerships constitute our promoter group under the SEBI (ICDR) Regulations, 2009 (the "Promoter Group"):

The natural persons who are part of the Promoter Group, other than the Promoters named above, are as follows:

| Name | Shareholding in Money Masters Leasing & Finance Limited |
|----------------------|---|
| Fatema Darukhanawala | 85,000 |
| Zainab Darukhanawala | 64,750 |

The details of the Promoters are as follows:

INDIVIDUALS

Mr. Hozef Abdulhussain Darukhanawala



| | |
|--|--|
| Age | 54 years |
| Personal Address | 2-B, Crystal CHS, Juhu Road, Next to Santacruz Police Station, Santacruz (West), Mumbai-400054 |
| Educational qualifications and professional Experience | Please refer to the section "Our Management" beginning on page 63 of this Draft Prospectus |
| Designation | Managing Director |
| Directorship held | Please refer to the section "Our Management" beginning on page 63 of this Draft Prospectus |
| Other ventures | Nil |
| Business | Businessman |
| Voter ID No. | ROL2173524 |
| Driving License Number | 77/W/12801 |
| Permanent Account Number | AACPD7463Q |
| Passport Number | J1724079, Valid Upto September 22, 2020 |
| Bank Account No. | 1921 with Samata Sahakari Bank Limited, Santa Cruz (West) Branch, Mumbai |
| DIN | 00177029 |

Profile: Graduated in Commerce from Narsee Monjee College of Commerce & Economics in the year 1978. He started his career in the year 1978 with Bombay Mercantile Cooperative Bank Limited from where he resigned as Branch in charge, after 13 years. He joined Samata Sahakari Bank Limited as Director and was then promoted to Executive Vice Chairman & Managing Director. He was associated with the Bank for 18 years.

He has over all 35 years of Banking experience, in the retail banking, micro finance.

He is the Promoter Director of Money Masters Leasing & Finance Ltd and handles day to day affairs of the Company.

Mr. Hozef Abdulhussain Darukhanawala owns 11,98,050 Equity Shares, representing 37.93% of the pre-issue share capital and 26.66 % of the post-Issue share capital of the Company.

There are no defaults in meeting any statutory/bank/institutional dues and no proceedings have been initiated for economic offences. There are no litigations, disputes towards tax liabilities or criminal / civil prosecution / complaint against Mr. Hozef Abdulhussain Darukhanawala.

Declaration: It is confirmed that Permanent Account Number, Bank Account details and Passport Number of Mr. Hozef Abdulhussain Darukhanawala is being submitted to the Stock Exchange on which Equity Shares are proposed to be listed, at the time of filing of Draft Prospectus with them.

Mrs. Durriya Hozefa Darukhanawala



| | |
|--|--|
| Age | 49 years |
| Personal Address | 2-B, Crystal CHS, Juhu Road, Next to Santacruz Police Station, Santacruz (West), Mumbai-400054 |
| Educational qualifications and professional Experience | Please refer to the section "Our Management" beginning on page 63 of this Draft Prospectus |
| Designation | Director |
| Directorship held | Please refer to the section "Our Management" beginning on page 63 of this Draft Prospectus |
| Other ventures | Nil |
| Business | Businesswoman |
| Voter ID No. | ROL2173532 |
| Driving License Number | MH02/93/31469 |
| Permanent Account Number | AAAPD4588Q |
| Passport Number | G5840225, Valid Upto October 23, 2017 |
| Bank Account No. | 1921 with Samata Sahakari Bank Limited, Santa Cruz (West) Branch, Mumbai |
| DIN | 00177073 |

Profile: Mrs. Durriya Hozefa Darukhanawala, 49 years, holds Graduate Degree in Commerce from Bombay University. She is the Promoter Director of Money Masters Leasing & Finance Ltd and handles Human Resource and Administration of the Company.

Mrs. Durriya Hozefa Darukhanawala owns 4,43,300 Equity Shares, representing 14.04% of the pre-Issue share capital and 9.86% of the post-Issue share capital of the Company.

There are no defaults in meeting any statutory/bank/institutional dues and no proceedings have been initiated for economic offences. There are no litigations, disputes towards tax liabilities or criminal / civil prosecution / complaint against Mrs. Durriya Hozefa Darukhanawala.

Declaration: It is confirmed that Permanent Account Number, Bank Account details and Passport Number of Mrs. Durriya Hozefa Darukhanawala is being submitted to the Stock Exchanges on which Equity Shares are proposed to be listed, at the time of filing of Draft Prospectus with them.

OTHER INFORMATION ABOUT THE PROMOTERS

One of the present promoters, Durriya Hozefa Darukhanawala, is among the original promoters of Money Masters Leasing & Finance Limited. The other Promoters ceded control over the management of the Company in the year 2004.

Details of the disassociation of our promoters from companies during the last three years are as follows:

Nil

Common Pursuits

Nil

Interest of the Promoters

The Promoters of the Company are interested to the extent of their shareholding in the Company.

The Company has entered into a Leave and License Agreement for its registered office with one of its Promoter Directors being a party to the Agreement and a monthly rent is paid on that account. The details of the same are mentioned in the Section "Business Overview" on page 48 of this Draft Prospectus.

The Promoters have no interest in any property acquired by the Company within two years of the date of this Draft Prospectus.

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

The issuer had, in the year 2009 and 2010, sold properties belonging to it to the Promoters of the Company.

As on the date of the Draft Prospectus there are no companies/firms that have been promoted by one or more of the promoters.

Payment of benefits to the Promoter

Except as stated in the section titled "Related Party Transactions" on page 95 of this Draft Prospectus, there has been no payment of benefits to the Promoter during the two years prior to the filing of this Draft Prospectus.

Related Party Transaction

For details of related party transactions please refer to page no. 95 of the Draft Prospectus.

Confirmations

Further, the Promoters have not been declared as a wilful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by the Promoter in the past or are pending against them.

CURRENCY OF PRESENTATION

In the Draft Prospectus, all references to “Rupees”, “Rs.” , “Rs”, “rs” and “Indian Rupees” are to the legal currency of the Republic of India. Throughout the sections on ‘Financial Information’ and ‘Summary of Financial Information’ and ‘Management’s of Financial Condition and Results of Operations’ in the Draft Prospectus figures have been expressed in lacs. The term ‘lacs’ or “lakh” or “lakhs” means ‘One Hundred Thousand’.

Any percentage amounts, as set forth in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” and “Basis for Issue Price” in the Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our financial statements prepared in accordance with Indian GAAP. In the Draft Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

DIVIDEND POLICY

Dividends, other than interim dividends, will be declared at the annual general meeting of the shareholders based on the recommendation of the Board of Directors. The Board may, at its discretion, recommend dividend to be paid to the members of the Company. The factors that may be considered by the Board before making any recommendations for the dividend, include but are not limited to profits earned during the financial year, liquidity of the Company, obligations towards repayment of debt including maintaining debt service reserves, future expansion plans and capital requirements, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time.

The Board may also, from time to time, pay to the members interim dividend, as appears to the Board to be justified by the profits of the Company.

Our Company has started paying dividend on its preference shares since financial year 2012-13.

However, the Company has not paid any dividend on its Equity Shares till date.

SECTION VI- FINANCIAL INFORMATION

FINANCIAL INFORMATION OF OUR COMPANY

AUDITORS REPORT

Auditor's Report for the Restated Financial Statements of Money Masters Leasing & Finance Limited.

**The Board of Directors,
MONEY MASTERS LEASING & FINANCE LIMITED
4, Akashdeep, Ground Floor, Road No.-1,
TPS VI, Santacruz (West)
Mumbai - 400054**

Dear Sirs,

1. We have examined the attached Restated Statement of Assets and Liabilities of Money Masters Leasing & Finance Limited as at December 31, 2012, March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 and the related Restated Statement of Profit & Loss and Restated Statement of Cash Flow for the Nine months period ended December 31, 2012 and financial year ended on March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 (collectively the "**Restated Summary Statements**" or "**Restated Financial Statements**"). These Restated Summary Statements have been prepared by the Company and approved by the Board of Directors of the company in connection with the Initial Public Offering (IPO) in SME Platform of BSE Limited ("**BSE**").
2. This Restated Summary Statements has been prepared in accordance with the requirements of:
 - (i) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ("**Act**");
 - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ("**ICDR Regulations**") issued by the Securities and Exchange Board of India ("**SEBI**") in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
 - (iii) The terms of reference to our engagements with the Company letter Dated 16th January, 2013 requesting us to carry out the assignment, in connection with the Draft Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of BSE Limited ("**IPO**" or "**SME IPO**"); and
 - (iv) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("**Guidance Note**").
3. The Restated Summary Statements of the Company have been extracted by us from the Audited Financial Statements of the Company for the Nine months period ended December 31, 2012 and Financial year ended on March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 which have been approved by the Board of Directors.
4. In accordance with the requirements of Paragraph B(1) of Part II of Schedule II of Act, ICDR Regulations, Guidance Note on the reports in Company Prospectus (Revised) issued by ICAI and Engagement Letter , we report that:
 - (i) The "**Restated Statement of Asset and Liabilities**" as set out in **Annexure I** to this report, of the Company as at December 31, 2012, March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 are prepared by the Company and approved by the Board of Directors. This Statement of Asset and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual Financial Statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.

- (ii) The “**Restated Statement of Profit and Loss**” as set out in **Annexure II** to this report, of the Company for the Nine months period ended December 31, 2012 and financial year ended on March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 are prepared by the Company and approved by the Board of Directors. This Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
- (iii) The “**Restated Statement of Cash Flow**” as set out in **Annexure III** to this report, of the Company for nine months period ended December 31, 2012 and the financial year ended on March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 are prepared by the Company and approved by the Board of Directors. This Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV** to this Report.
5. Based on the above, we are of the opinion that the Restated Financial Statements have been made after incorporating:
- Adjustments for the adoptions of accounting policies retrospectively in respective financial years/period to reflect the same accounting treatment as per the adopted accounting policy for all reporting periods.
 - Adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments.
 - There are no extra-ordinary items that need to be disclosed separately in the accounts and qualifications requiring adjustments.
 - There were no qualification in the Audit Reports issued by the Statutory Auditors for the nine months period ended December 31, 2012 and financial year ended on March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008, which would require adjustments in this Restated Financial Statements of the Company.
 - These Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV** to this report.
6. Financial Statements for the year ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 have been audited by M/s Meena N Shetty & Co. Chartered Accountants and accordingly reliance has been placed on the financial information examined by her for the said years. The Financial Report included for these years is based solely on the report submitted by them. Further, Audited Accounts for financial year ended March 31, 2012 and for the period ended December 31, 2012 have been re-audited by us for this purpose.
7. We have also examined the following other financial information as restated relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the nine months period ended December 31, 2012 and financial year ended on March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 proposed to be included in the Draft Prospectus / Prospectus (“**Offer Document**”).
- Statement of Share Capital, as Restated (Annexure-V)
 - Statement of Reserve and Surplus, as Restated (Annexure-VI)
 - Statement of Contingent Liabilities, as Restated (Annexure-VII)
 - Statement of Dividend declared/ Paid, as Restated (Annexure- VIII)
 - Statement of Other Income, as Restated (Annexure- IX)
 - Statement of Accounting Ratios, as Restated (Annexure-X)
 - Statement of Capitalization, as Restated (Annexure- XI)
 - Statement of Tax Shelters, as Restated (Annexure- XII)
 - Statement of Long Term Borrowings/Deposits, as Restated (Annexure- XIII)

- x) Statement of Short Term Borrowings, as Restated (Annexure-XIV)
 - xi) Statement of Long Term Provisions and Other Long Term Liabilities, as Restated (Annexure-XV)
 - xii) Statement of Related Party Transactions, as Restated (Annexure- XVI)
 - xiii) Statement of Long Term Loans and Advances and Other Non- Current Assets, as Restated (Annexure-XVII)
 - xiv) Statement of Short Term Loans and Advances and Other Current Assets, as Restated (Annexure- XVIII)
 - xv) Statement of Trade Payables, Other Current Liabilities and Short Term Provisions, as Restated (Annexure- XIX)
 - xvi) Statement of Trade Receivables, as Restated (Annexure-XX)
 - xvii) Statement of Non- Current Investments , as Restated (Annexure-XXI)
 - xviii) Statement of Current Investments, as Restated (Annexure-XXII)
8. We, M/s B. Rattan & Associates, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and hold a valid peer review certificate issued by the "Peer Review Board" of the ICAI.
9. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company in accordance with the provisions of the Act and the Financial Information referred to above is the responsibility of the management of the Company.
10. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit report, nor should this constructed as a new opinion on any of the financial statements referred to herein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. In our opinion, the above financial information contained in Annexure I to XXII of this report read with the respective Significant Accounting Policies and Notes to Restated Summary Statements as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.
13. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

For B. Rattan & Associates
Chartered Accountants
Firm Registration No. 011798N

(CA B. K. Karn)
Partner
Membership No. 094790
Date: 20.01.2013
Place: Delhi

Money Masters Leasing & Finance Limited
Annexure I-Restated Summary Statement of Assets and Liabilities

| | Particulars | Amount in Rs. | | | | | |
|----------|---|------------------------|------------------------|------------------------|------------------------|-----------------------|-----------------------|
| | | As at | | | | | |
| | | 31-Dec-12 | 31-Mar-12 | 31-Mar-11 | 31-Mar-10 | 31-Mar-09 | 31-Mar-08 |
| A | Non-Current Assets | | | | | | |
| | Fixed Assets | | | | | | |
| | Tangible Assets | 14,23,851.00 | 14,00,477.00 | 8,32,335.00 | 24,42,057.00 | 27,89,371.00 | 65,37,632.10 |
| | Intangible Assets | 3,01,787.00 | 73,051.00 | 17,885.00 | 29,808.00 | 49,680.00 | 82,800.00 |
| | Capital Work-in-Progress | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Intangible Assets under development | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Non-Current Investments | 85,07,032.00 | 1,75,07,032.00 | 1,20,07,032.00 | 82,58,032.00 | 62,58,032.00 | 64,34,532.00 |
| | Deferred tax assets(net) | 0.00 | 58,142.00 | 17,527.00 | 0.00 | 0.00 | 0.00 |
| | Long-term Loans & advances | 8,17,52,662.00 | 6,74,92,858.00 | 5,89,61,164.00 | 5,88,59,535.00 | 5,05,57,618.00 | 4,51,02,987.65 |
| | Other non-current assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| B | Current Assets | | | | | | |
| | Current Investments | 0.00 | 0.00 | 41,65,329.00 | 30,00,000.00 | 15,00,000.00 | 50,000.00 |
| | Trade receivables | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Cash & Cash equivalent | 9,37,740.00 | 60,50,105.00 | 33,24,523.00 | 15,96,563.00 | 19,91,726.00 | 28,00,250.55 |
| | Short -term loans & advances | 3,48,93,711.00 | 2,90,78,093.00 | 2,42,31,744.00 | 2,01,93,120.00 | 1,68,27,600.00 | 1,40,23,000.00 |
| | Other Current Assets | 70,11,879.00 | 65,32,513.00 | 66,16,188.00 | 1,15,37,733.00 | 1,41,02,752.00 | 1,09,74,231.00 |
| C | Total Asset(C=A+B) | 13,48,28,662.00 | 12,81,92,271.00 | 11,01,73,727.00 | 10,59,16,848.00 | 9,40,76,779.00 | 8,60,05,433.30 |
| D | Non-Current liabilities | | | | | | |
| | Long-term Borrowings/Deposits | 5,29,75,541.00 | 4,81,48,671.00 | 4,40,50,529.00 | 4,65,28,147.00 | 4,31,91,676.00 | 3,84,79,349.00 |
| | Other long -term liabilities | 25,85,882.00 | 16,11,131.50 | 12,74,015.50 | 17,23,998.00 | 15,80,437.00 | 16,48,028.50 |
| | Long-term Provisions | 37,08,171.00 | 36,08,171.00 | 41,06,171.00 | 47,20,000.00 | 23,32,000.00 | 23,32,000.00 |
| | Deferred tax Liabilities(Net) | 6,599.00 | 0.00 | 0.00 | 6,439.00 | 42,148.00 | 30,486.00 |
| E | Current Liabilities | | | | | | |
| | Short-term Borrowings/Deposits | 1,12,92,091.00 | 1,02,65,537.00 | 93,32,307.00 | 1,12,81,058.00 | 82,40,778.00 | 70,44,634.00 |
| | Trade payables | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Other Current Liabilities | 30,48,943.00 | 17,71,526.50 | 15,05,649.50 | 21,82,995.00 | 23,42,977.00 | 30,44,555.50 |
| | Short-term Provisions | 22,19,861.91 | 17,06,956.00 | 16,14,653.00 | 11,31,349.00 | 28,19,651.00 | 1,08,722.00 |
| F | Total Liabilities(F=D+E) | 7,58,37,088.91 | 6,71,11,993.00 | 6,18,83,325.00 | 6,75,73,986.00 | 6,05,49,667.00 | 5,26,87,775.00 |
| | Net Worth(C-F) | 5,89,91,573.09 | 6,10,80,278.00 | 4,82,90,402.00 | 3,83,42,862.00 | 3,35,27,112.00 | 3,33,17,658.30 |
| | Net worth represented by | | | | | | |
| G | Shareholder's funds | | | | | | |
| | Equity Share Capital | 3,15,82,000.00 | 3,15,82,000.00 | 3,15,82,000.00 | 3,06,54,500.00 | 2,64,19,500.00 | 2,29,79,000.00 |
| | Preference share capital | 2,07,92,000.00 | 2,03,92,000.00 | 31,12,000.00 | 0.00 | 0.00 | 0.00 |
| | Share Application Money pending Allotment | 0.00 | 26,50,000.00 | 74,00,000.00 | 29,00,000.00 | 48,00,000.00 | 66,00,000.00 |
| | Reserves& Surplus | 66,17,573.09 | 64,56,278.00 | 61,96,402.00 | 47,88,362.00 | 23,07,612.00 | 37,38,658.30 |
| | Total Shareholder's Fund | 5,89,91,573.09 | 6,10,80,278.00 | 4,82,90,402.00 | 3,83,42,862.00 | 3,35,27,112.00 | 3,33,17,658.30 |

Money Masters Leasing & Finance Limited
Annexure II - Restated Summary Statement of Profits and Losses

| Particulars | Amount in Rs | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|---------------------|
| | For the Year ended | | | | | |
| | 31-Dec-12 | 31-Mar-12 | 31-Mar-11 | 31-Mar-10 | 31-Mar-09 | 31-Mar-08 |
| Income from continuing Operations | | | | | | |
| I.Revenue from operations | 1,01,49,266.00 | 1,28,50,628.00 | 1,12,33,561.00 | 1,06,98,411.00 | 86,68,273.00 | 65,47,147.00 |
| II.Other Income | 2,40,802.00 | 1,20,267.00 | 9,09,077.00 | 3,62,955.00 | 9,13,418.00 | 7,53,751.20 |
| III.Total revenue(I+II) | 1,03,90,068.00 | 1,29,70,895.00 | 1,21,42,638.00 | 1,10,61,366.00 | 95,81,691.00 | 73,00,898.20 |
| IV.Expenses | | | | | | |
| Employee Benefits Expenses | 11,83,907.00 | 16,24,649.00 | 13,83,410.00 | 11,91,218.00 | 9,66,090.00 | 7,02,101.00 |
| Finance Cost | 50,25,591.00 | 63,18,964.00 | 65,52,901.00 | 62,50,867.00 | 52,33,821.00 | 50,24,551.00 |
| Depreciation and amortization expenses | 4,51,890.00 | 4,24,821.00 | 2,91,645.00 | 3,67,186.00 | 3,91,385.00 | 2,54,410.00 |
| Other expenses | 16,64,919.00 | 28,23,811.00 | 34,35,993.00 | 20,95,298.00 | 17,55,279.00 | 8,63,800.00 |
| Total expenses(IV) | 83,26,307.00 | 1,11,92,245.00 | 1,16,63,949.00 | 99,04,569.00 | 83,46,575.00 | 68,44,862.00 |
| V.Profit before tax from continuing operations(III-IV) | 20,63,761.00 | 17,78,650.00 | 4,78,689.00 | 11,56,797.00 | 12,35,116.00 | 4,56,036.20 |
| VI.Exceptional items | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| VII.Profit before extraordinary items and tax | 20,63,761.00 | 17,78,650.00 | 4,78,689.00 | 11,56,797.00 | 12,35,116.00 | 4,56,036.20 |
| VIII.Extra ordinary items | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| IX.Profit before tax(VII-VIII) | 20,63,761.00 | 17,78,650.00 | 4,78,689.00 | 11,56,797.00 | 12,35,116.00 | 4,56,036.20 |
| X.Tax Expenses/(Income) | | | | | | |
| Current tax | 5,62,676.00 | 7,12,783.00 | 2,78,716.00 | 2,10,540.00 | 2,40,000.00 | 1,08,722.00 |
| Deferred tax charge /(credit) | 64,741.00 | (40,615.00) | (23,966.00) | (35,709.00) | 11,662.00 | 30,486.00 |
| Total tax expense | 6,27,417.00 | 6,72,168.00 | 2,54,750.00 | 1,74,831.00 | 2,51,662.00 | 1,39,208.00 |
| XI.Profit for the period after tax from continuing operations | 14,36,344.00 | 11,06,482.00 | 2,23,939.00 | 9,81,966.00 | 9,83,454.00 | 3,16,828.20 |
| XII. Profit/(loss) from discontinuing operations | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| XIII.Tax expenses of discontinuing operations | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| XIV.Profit for the period | 14,36,344.00 | 11,06,482.00 | 2,23,939.00 | 9,81,966.00 | 9,83,454.00 | 3,16,828.20 |

Money Masters Leasing & Finance Limited
Annexure III -Restated Summary Statement of Cash Flows

| Particulars | Amount in Rs | | | | | |
|--|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | For the year ended | | | | | |
| | 31-Dec-12 | 31-Mar-12 | 31-Mar-11 | 31-Mar-10 | 31-Mar-09 | 31-Mar-08 |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | | | |
| Net profit before taxation from continuing operations (as restated) | 20,63,761.00 | 17,78,650.00 | 4,78,689.00 | 11,56,797.00 | 12,35,116.00 | 4,56,036.20 |
| Net profit before taxation from discontinued operations (as restated) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Non cash adjustments to reconcile profit before tax to net cash flows | 20,63,761.00 | 17,78,650.00 | 4,78,689.00 | 11,56,797.00 | 12,35,116.00 | 4,56,036.20 |
| Depreciation and amortisation expense | 4,51,890.00 | 4,24,821.00 | 2,91,645.00 | 3,67,186.00 | 3,91,385.00 | 2,54,410.00 |
| Provision for NPA | 0.00 | 1,00,000.00 | 4,50,000.00 | 3,00,000.00 | 1,50,000.00 | 0.00 |
| Provision for Std Assets | 0.00 | 40,000.00 | 1,97,771.00 | 0.00 | 0.00 | 0.00 |
| Provision for depreciation on Investment | 0.00 | 45,594.00 | 71,406.00 | 2,00,000.00 | 0.00 | 0.00 |
| Operating profit before working capital changes (as restated) | 25,15,651.00 | 23,89,065.00 | 14,89,511.00 | 20,23,983.00 | 17,76,501.00 | 7,10,446.20 |
| Movements in Working Capital | | | | | | |
| <i>Adjustments for (Increase)/Decrease in Operating Assets</i> | | | | | | |
| Trade receivables | 0.00 | 0.00 | 0.00 | 8,60,160.00 | (54,775.00) | (7,50,000.00) |
| Interest Receivable on Non HP Loan | 2,05,781.00 | (1,02,994.00) | 10,15,720.00 | 7,11,589.00 | (4,14,495.00) | (8,85,510.00) |
| Interest Receivable on Govt Securities | 3,64,564.00 | (53,530.00) | (30,588.00) | (85,110.00) | 1,55,177.00 | 18,399.00 |
| Interest Receivable on Bank FDR | 79,880.00 | 1,97,431.00 | (2,90,214.00) | (1,84,954.00) | (41,786.00) | 0.00 |
| Deposits & Taxes | 57,490.00 | (10,56,584.00) | (1,76,075.00) | (1,36,606.00) | 2,03,980.00 | (5,89,727.00) |
| Advances | (5,00,000.00) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| <i>Adjustments for Increase /(Decrease) in Operating Liabilities</i> | | | | | | |
| Interest Payables on Deposits | 4,80,868.50 | 3,37,116.00 | (4,49,982.50) | 1,42,325.00 | (2,65,123.50) | 4,99,846.50 |
| Current Liabilities and Provisions | 7,50,200.00 | 1,64,123.00 | (44,883.00) | 17,224.00 | (36,928.00) | (4,12,166.00) |
| Bank O/D against FD | 0.00 | 0.00 | (27,97,143.00) | 22,69,015.00 | 4,94,994.00 | 33,134.00 |
| Intt. Payable on ICD | 96,548.00 | (1,21,239.00) | (1,99,297.00) | (3,30,373.00) | (3,16,598.00) | 73,369.00 |
| Cash flow from operations | 40,50,982.50 | 17,53,388.00 | (14,82,951.50) | 52,87,253.00 | 15,00,946.50 | (13,02,208.30) |
| LESS: Taxes Paid | (3,32,131.00) | (4,50,000.00) | (4,58,637.00) | (1,50,000.00) | (1,00,000.00) | (3,00,000.00) |
| Net Cash generated from operating activities(A) | 37,18,851.50 | 13,03,388.00 | (19,41,588.50) | 51,37,253.00 | 14,00,946.50 | (16,02,208.30) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | | | |
| Purchase of fixed assets | (7,04,000.00) | (10,48,129.00) | (1,07,500.00) | 0.00 | (8,90,283.00) | (23,46,708.00) |
| Investment sold/(Purchased) | 90,00,000.00 | (13,34,671.00) | (49,14,329.00) | (35,00,000.00) | (14,50,000.00) | 9,86,000.00 |
| Premium on Investment of Govt Securities | 0.00 | 80,742.00 | 2,142.00 | (1,26,000.00) | 0.00 | 0.00 |
| Discount on Investment in Govt Securities | 0.00 | 1,18,473.00 | 2,21,000.00 | 0.00 | 0.00 | 0.00 |
| Proceeds from Sale of Fixed Assets | 0.00 | 0.00 | 14,37,500.00 | 0.00 | 42,80,282.00 | 0.00 |
| Net cash used in investing activities(B) | 82,96,000.00 | (21,83,585.00) | (33,61,187.00) | (36,26,000.00) | 19,39,999.00 | (13,60,708.00) |
| C. CASH FLOW FROM /(USED IN) FINANCING ACTIVITIES | | | | | | |
| Proceeds from Issue of Equity Shares | 0.00 | 0.00 | 9,27,500.00 | 42,35,000.00 | 34,40,500.00 | 50,00,000.00 |
| Proceeds from Issue of Preference Shares | 4,00,000.00 | 1,72,80,000.00 | 31,12,000.00 | 0.00 | 0.00 | 0.00 |
| Non Hire Purchase Loan | (53,13,892.00) | (60,85,863.00) | (21,34,099.00) | (84,273.00) | 13,83,382.00 | (24,83,695.00) |
| Employee Loan | 51,600.00 | 60,000.00 | 1,00,000.00 | 2,00,000.00 | 2,00,000.00 | 0.00 |
| Interest Payables on Deposits | 9,74,750.50 | 3,37,116.00 | (4,49,982.50) | 1,43,561.00 | (67,591.50) | 4,56,101.50 |
| Short term Loans and Advance-HP loans | (1,51,68,080.00) | (73,26,596.00) | 18,98,043.00 | (1,01,33,440.00) | (1,27,19,234.00) | (98,82,805.00) |
| Deposits including director deposits | 44,53,424.00 | 70,00,246.00 | 34,16,633.00 | 58,81,759.00 | 81,32,865.00 | 20,51,545.00 |
| Long Term Borrowing-Corp Deposits | 14,00,000.00 | (20,87,347.00) | (52,66,860.00) | (17,74,023.00) | (27,19,388.00) | 39,33,369.00 |
| Share application Money Received/(refunded) | (26,50,000.00) | (47,50,000.00) | 45,00,000.00 | (19,00,000.00) | (18,00,000.00) | 40,70,000.00 |
| Loan Repaid | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (4,33,314.00) |
| Dividend on Preference Share | (10,97,056.00) | (7,11,805.00) | 0.00 | 0.00 | 0.00 | 0.00 |
| Dividend Distribution Tax | (1,77,967.00) | (1,09,974.00) | 0.00 | 0.00 | 0.00 | 0.00 |
| Share Premium | 0.00 | 0.00 | 9,27,500.00 | 15,25,000.00 | 0.00 | 0.00 |
| Net cash generated from/(used in) financing activities (C) | (1,71,27,220.50) | 36,05,777.00 | 70,30,734.50 | (19,06,416.00) | (41,49,466.50) | 27,11,201.50 |
| Net increase/(decrease) in cash and cash equivalents (A + B + C) | (51,12,365.00) | 27,25,582.00 | 17,27,960.00 | (3,95,163.00) | (8,08,524.55) | (2,51,715.45) |
| Cash and cash equivalents at the beginning of the year | 60,50,105.00 | 33,24,523.00 | 15,96,563.00 | 19,91,726.00 | 28,00,250.55 | 30,51,966.00 |
| Cash and cash equivalents at the end of the year | 9,37,740.00 | 60,50,105.00 | 33,24,523.00 | 15,96,563.00 | 19,91,726.00 | 28,00,250.55 |

Notes: 1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3' Cash Flow Statement'.
2. Previous year's figures have been regrouped / rearranged /recasted wherever necessary to make them comparable with those of current year.
3. Figures in brackets indicate cash outflow.

ANNEXURE-IV

NOTES TO THE RESTATED SUMMARY STATEMENTS OF ASSETS AND LIABILITIES, STATEMENT OF PROFITS AND LOSSES AND CASH FLOWS, AS RESTATED UNDER INDIAN GAAP, FOR MONEY MASTERS LEASING & FINANCE LIMITED

1. BACKGROUND

Money Masters Leasing & Finance Limited was incorporated as a Limited Company on October 26, 1994. The Company is promoted by Mr. Hozef Abdulhussain Darukhanawala and Ms. Durriya Hozef Darukhanawala. Mr. Hozef Abdulhussain Darukhanawala is also the Managing Director of the Company. The Company obtained permission from Reserve Bank of India for carrying on the business of Non-Banking Financial Institutions on July 31, 1998 vide Registration No. 13.00931.

The Company's main area of business activity and excellence has been hire purchase which constitutes more than 80% of its turnover and income. MMLF caters mainly to small and medium business enterprises. The company also helps entrepreneurs in beginning business by providing finance against machineries etc. It also specializes in consumer finance and other core area of revenue generation. Spreading out the investments in these fields minimizes the risk factors and also serves a greater social cause. Deployment of funds is mainly for wealth generation activities. Till date the company had financed approximately 3000 auto rickshaws on hire purchase.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY IN THE PREPARATION OF FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED DECEMBER 31, 2012

1. ACCOUNTING CONCEPTS

The financial statements are prepared on historical cost convention complying with the relevant provisions of the Companies Act, 1956 and the Accounting Standards issued by the Institute of Chartered Accountants of India, as applicable. The company follows prudential norms for income recognition; asset classification and provisioning for non-performing assets as prescribed by Reserve Bank of India vide Non-Banking Financial Companies Prudential Norms (Reserve Bank) Direction.

PREVIOUS YEAR'S FIGURES

During the year ended March 31, 2012 the Revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company. Therefore, the Company has reclassified previous year's figures to conform to classification mentioned in Revised Schedule VI notified under the Companies Act, 1956.

2. USE OF ESTIMATES

The preparation of the financial statements requires use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of income and expenses during the reporting period and disclosure of contingent liabilities as at that date. The estimates and assumptions used in these financial statements are based upon the management evaluation of the relevant facts and circumstances as of the date of the financial statements. Management believes that these estimates and assumptions used are prudent and reasonable. Future results may vary from these estimates.

3. REVENUE RECOGNITION

Revenues are recognized and expenses are accounted on accrual basis with necessary provisions for all known liabilities and losses. Income from Non- Performing Assets is recognized only when it is realized. Income and expense under bilateral assignment of receivables accrue over the life of the related receivables assigned. Interest income and expenses on bilateral assignment of receivables are accounted on gross basis.

4. EMPLOYEE BENEFITS

Short Term Employee Benefits: Short Term Employee Benefits for services rendered by employees are recognized during the period when the services are rendered.

5. FIXED ASSETS

Fixed assets are stated at historical cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is charged at the rates specified in Schedule XIV of the Companies Act, 1956 on Written Down Value method.

Individual assets costing upto Rs. 5000 are depreciated in full in the year of purchase.

6. INTANGIBLE ASSETS

Intangible Assets are amortized over their expected useful life. It is stated at cost, net of amortization.

7. TAXES ON INCOME

Income Tax expenses comprises of current tax and deferred tax (asset or liability). Current tax is the amount of tax payable on the taxable income for the year and determined in accordance with the provisions of the Income Tax Act 1961. Deferred tax is recognized, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

8. INVESTMENTS

Investments intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost or market value/realizable value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary, in the value of the investments.

9. PROVISION FOR NON PERFORMING ASSETS

Loan receivables are written off / provided for, as per management estimates, subject to the minimum provision required as per Non- Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions.

10. ADVANCES

Advances are classified as performing and non-performing assets and provisions are made in accordance with the Prudential Norms on Income Recognition, Asset Classification and Provisioning prescribed by Reserve Bank of India from time to time.

Advances are stated at net of write off and gross of provisions for non- performing assets.

11. CAPITAL REDEMPTION RESERVE

As per Section 80(1) (d) of Companies Act, 1956, no capital redemption reserve is to be created for such shares which are redeemed out of the proceeds for a fresh issue and hence no reserve is created.

12. EARNING PER SHARE

The Company reports basic and diluted earnings per equity share in accordance with (AS) 20, Earnings per share notified under the Companies (Accounting Standard) Rules, 2006 (as amended). Basic earnings per equity share have been computed by dividing net income by the weighted average number of equity Shares outstanding for the period. Diluted earnings per equity shares have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

13. LEASES

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets, are classified as operating leases. All other leases are classified as financial leases.

Where the Company is the Lessor:

Assets given on operating leases are included in fixed assets. Lease income is recognised in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Profit and Loss Account.

Where the Company is the lessee:

Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term. Company does not have any financial leases.

14. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

Provisions are recognized only when the company has present or legal or constructive obligations as a result of past events, for which it is probable that an outflow of economic benefit will be required to settle the transaction and a reliable estimate can be made for the amount of the obligation. Contingent liability is disclosed for (i) possible obligations which will be confirmed only by future events not wholly within the control of the company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

3. NOTES ON ADJUSTMENTS FOR RESTATED SUMMARY STATEMENTS

The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented below in Table-1. This summarizes the results of restatements made in the audited accounts for the respective years/ period and its impact on the profit & losses of the company.

Table-1
Notes on Adjustments for Restated Summary Statements

(Amount in Rs.)

| Particulars | For the Period ended 31.12.2012 | For the year ended 31 st March | | | | |
|---|---------------------------------|---|----------|----------|----------|------------|
| | | 2012 | 2011 | 2010 | 2009 | 2008 |
| Profit after tax as per Audited accounts | 14,36,344 | 10,65,867 | 1,99,973 | 9,46,257 | 9,95,116 | 4,56,036 |
| Adjustments For: | | | | | | |
| Non-Provision for Tax | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (1,08,722) |
| Provision for Deferred Tax | 0.00 | 40,615 | 23,966 | 35,709 | (11,662) | (30,486) |
| Profit after Tax as per Restated Accounts | 14,36,344 | 11,06,482 | 2,23,939 | 9,81,966 | 9,83,454 | 3,16,828 |

- 1) Financial Statements prepared for the year ended 31.03.2008 has not taken the effect of Provision for Tax. The Restated Statements of Assets and Liabilities and Statement of Profit and Loss have been adjusted accordingly with the amount of Provision for Tax as given above. The effect of above adjustment has been taken in Other Current Liability in case of Restated Statements of Assets and Liabilities and in case of Restated Statement of Profit and loss for the year ended 31.03.2008, the profit has been adjusted with the amount of Rs.108722. Accordingly, Earning per Share has been adjusted for the year ended 31.03.2008 for the purpose of Restatement.
- 2) Financial Statements prepared for the year ended 31.03.2008, 31.03.2009, 31.03.2010, 31.03.2011 and 31.03.2012 has not taken the effect of Provision for Deferred Tax, as per the requirement of Accounting Standards-22 for Accounting for Taxes on Income. The Restated Statements of Assets and Liabilities and Statement of Profit and Loss have been adjusted accordingly with the amount of Provision for Deferred Tax as given above. The effect of above adjustment has been taken in Non-Current Liability/Asset in case of Restated Statements of Assets and Liabilities and in case of Restated Statement of Profit and loss for the year ended 31.03.2008, 31.03.2009, 31.03.2010, 31.03.2011 and 31.03.2012 the profit has been adjusted

with the amount of Deferred Tax Liability/Asset. Accordingly, as a result of restated profit/loss, the Earning per share has been adjusted in the above period for the purpose of Restatement.

4. MATERIAL REGROUPING

Till the year ended 31st March, 2011, the company was using Pre-Revised Schedule-VI to the Companies Act 1956, for Preparation and Presentation of Financial statements. During the year ended 31st March, 2012, the revised Schedule -VI notified under the Companies Act 1956, have become applicable to the company. The Company has reclassified previous year's figures to conform to the Revised Schedule-VI

Material Regrouping for Profit & Loss Account

- a. Till the financial year ended March 31, 2011; the Company has shown Salaries under Administrative Expenses in audited Profit & Loss Account. From the financial year ended March 31, 2012, to meet the criteria of Revised Schedule VI of the Companies Act, 1956, the Company has regrouped the same under the head "Employee Benefit Expenses" in Audited Profit & Loss Account.

The summary statement of Profit & Loss Account as Restated for the Financial Year ended March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 has been reclassified and shown accordingly.

- b. Till the financial year ended March 31, 2011; the Company has shown Staff welfare under Administrative Expenses in audited Profit & Loss Account. From the financial year ended March 31, 2012, to meet the criteria of Revised Schedule VI of the Companies Act, 1956; the Company has regrouped the same under the head "Employee Benefit Expenses" in Audited Profit & Loss Account.

The summary statement of Profit & Loss Account as Restated for the Financial Year ended March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 has been reclassified and shown accordingly.

- c. Till the financial year ended March 31, 2011; the Company has shown Director Remuneration under Separate head in audited Profit & Loss Account. From the financial year ended March 31, 2012, to meet the criteria of Revised Schedule VI of the Companies Act, 1956; the Company has regrouped the same under the head "Employee Benefit Expenses" in Audited Profit & Loss Account.

The summary statement of Profit & Loss Account as Restated for the Financial Year ended March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 has been reclassified and shown accordingly.

- d. Till the financial year ended March 31, 2012; the Company has shown Adjustments related to Provisions under different head by the appropriation of Profit & Loss Account in audited Profit & Loss Account. To meet the criteria of Revised Schedule VI of the Companies Act, 1956; the Statement of profit and loss as restated has regrouped the same under the head "Reserves and Surplus".

The summary statement of Profit & Loss Account as Restated for the Financial Year ended March 31, 2012 March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 has been reclassified and shown accordingly.

- e. For the Financial year ended March 31, 2012 the Provision for NPA Written off, Provision for Depreciation on Investment & Provision for Standard assets have been shown as extraordinary items. The statement of profit and loss as restated has regrouped same under the head "Other Expenses".

The summary statement of Profit & Loss Account as Restated for the Financial Year ended March 31, 2012 has been reclassified and shown accordingly.

Material Regrouping for Assets & Liabilities Restated

- a. Till the financial year ended March 31, 2011; the Company has shown Hire and Non-Hire purchase Loan under Current Assets. From the financial year ended March 31, 2012, to meet the criteria of Revised Schedule VI of the Companies Act, 1956, the Company has regrouped the same under the heads of "Short Term Loans & Advances" and "Long term Loans & Advances" respectively

The summary statement of Assets & Liabilities as Restated for the Financial Year ended March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 has been reclassified and shown accordingly.

- b. Till the financial year ended March 31, 2012; the Company has shown Deposits in the nature of Assets (Telephone deposits, Deposits from Premises, Deposits with B.S.E.S Ltd, and Deposits with Reliance Energy Ltd) under Deposits & Taxes. To meet the criteria of Revised Schedule VI of the Companies Act, 1956, the Statement of Assets & Liabilities as Restated has regrouped the same under the heads of "Other Non- Current Assets" and "Current-Asset" respectively.

The summary statement of Assets & Liabilities as Restated for the Financial Year ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 has been reclassified and shown accordingly.

- c. Till the financial year ended March 31, 2011, the Company has shown Employee Loan under Current Assets and for the Financial Year ended March 31, 2012 the same has been shown under Short-Term Loans and Advance. The summary statement of Assets & Liabilities as Restated has regrouped the same under the heads of "Long term Loans & Advances" and "Short Term Loans & Advances" respectively.

The summary statement of Assets & Liabilities as Restated for the Financial Year ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 has been reclassified and shown accordingly.

- d. The financial year ended as on March 31, 2009 & March 31, 2008; the Company has shown Sundry debtors under Assets side. To meet the criteria of Revised Schedule VI of the Companies Act, 1956, summary statement of Assets & Liabilities as Restated has regrouped the same under the head "Trade Receivables".

The summary statement of Assets & Liabilities as Restated for the Financial Year ended March 31, 2009 and March 31, 2008 has been reclassified and shown accordingly.

- e. The financial year ended as on March 31, 2010, March 31, 2009 & March 31 2008; the Company has shown the effect of Bank Overdraft taken from Scheduled Bank, under Cash & Bank Balance. To meet the criteria of Revised Schedule VI of the Companies Act, 1956, summary statement of Assets & Liabilities as Restated has regrouped the same under the head "Short Term Borrowings".

The summary statement of Assets & Liabilities as Restated for the Financial Year ended March 31, 2010, March 31, 2009, and March 31, 2008 has been reclassified and shown accordingly.

- f. Till the financial year ended March 31, 2011; the Company has shown Provision for NPA under Liability side in the face of Balance sheet side. For the period ended March 31, 2012, the same has been shown under Long-term Provision. To meet the criteria of Revised Schedule VI of the Companies Act, 1956; the Company has regrouped the same under the heads "Long Term Provisions" and "Short Term Provisions respectively.

The summary statement of Assets & Liabilities as Restated for the Financial Year ended March 31, 2012 March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 has been reclassified and shown accordingly.

- g. Till the financial year ended March 31, 2011; the Company has shown Provision for Depreciation on Investment under Liability side in the face of Balance sheet. For the financial year ended March 31, 2012, the company has placed the same under the head Long-Term Provision. To meet the criteria of Revised Schedule VI of the Companies Act, 1956; the Statement of Assets and Liabilities as restated has regrouped the same under the heads of "Short Term Provisions".

The summary statement of Assets & Liabilities as Restated for the Financial Year ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 has been reclassified and shown accordingly.

- h. Till the financial year ended March 31, 2011; the Company has shown Deposits (Liability) under Liability side in the face of Balance sheet. From the financial year ended March 31, 2012, to meet the criteria of Revised Schedule VI of the Companies Act, 1956; the Company has regrouped the same under the head "Long Term Borrowings".

The summary statement of Assets & Liabilities as Restated for the Financial Year ended March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 has been reclassified and shown accordingly.

- i. Till the financial year ended March 31, 2011; the Company has shown Interest Payable on Deposits under Liability side in the face of Balance sheet. For the financial year ended March 31, 2012, Interest payable has been shown under the head of Long Term Borrowings. However, to meet the criteria of Revised Schedule VI of the Companies Act, 1956; the statement of Assets & Liabilities as Restated has regrouped the same under the head "Other Current liabilities".

The summary statement of Assets & Liabilities as Restated for the Financial Year ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 has been reclassified and shown accordingly.

- j. Till the financial year ended March 31, 2012; the Company has shown Intangible asset (Computer Software) as Tangible Asset. However, to meet the criteria of Revised Schedule VI of the Companies Act, 1956; the statement of Assets & Liabilities as Restated has regrouped the same under the head "Intangible Asset".

The summary statement of Assets & Liabilities as Restated for the Financial Year ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 has been reclassified and shown accordingly.

- k. Till the financial year ended March 31, 2011; the Company has shown Provision for Income Tax, Provision for CDT & Provision for expenses as Current Liabilities & Provisions. For the financial year ended 31, March, 2012 the company has shown the same under Other Current Liabilities. However, to meet the criteria of Revised Schedule VI of the Companies Act, 1956; the statement of Assets & Liabilities as Restated has regrouped the same under the head "Short Term Provisions".

The summary statement of Assets & Liabilities as Restated for the Financial Year ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 has been reclassified and shown accordingly.

5. A) TERMS/RIGHT ATTACHED TO EQUITY SHARES

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

B) TERMS/RIGHT ATTACHED TO PREFERENCE SHARES

The Company has only one class of Redeemable Preference Shares having a par value of Rs.10/- per share. Each holder of Preference share is entitled to one vote per share only on Resolutions placed before the company which directly affects the rights attached to Preference Shares.

The Holder of Preference Shares are entitled to a Preferential Right of Repayment of Capital on winding up vis-a-vis the holders of Equity Shares. The distribution will be in proportion to the number of shares held by the Shareholders.

- C) The Company has not allotted any fully Paid Up shares pursuant to contract(s) without payment being received in Cash nor has allotted any fully paid up shares by way of Bonus shares nor has bought back any class of shares during the period of five years immediately preceding the financial year/period in which the Restatement was done.

6. SEGMENT REPORTING

Based on the guiding principles given in Accounting Standard on "Segment Reporting" (As-17) issued by the Institute of Chartered Accountants of India, this Accounting Standard is not applicable to the company.

7. CHANGE IN ACCOUNTING POLICY

The Board of Directors met on 27th December 2011 to consider a change in policy with regard to the source of funds. Considering the prevailing economic and regulatory scenario a policy decision has been taken that henceforth the sourcing of funds will be through enhancement of the Capital base by an increase in the Equity and Preference Shares and mobilization of deposits from Directors and their relatives. No new Public deposits will be accepted nor existing ones renewed.

8. STATEMENT OF CAPITAL ADEQUACY RATIO AS PER RBI

| MONEY MASTERES LEASING & FINANCE LTD. STATEMENT OF CAPITAL ADEQUACY AS PER RBI | | | | | | | |
|---|--------------------------|------------|------------|------------|------------|------------|------------|
| | Items | 31.12.2012 | 31.03.2012 | 31.03.2011 | 31.03.2010 | 31.03.2009 | 31.03.2008 |
| i) | CRAR (%) | 51.35 | 61.48 | 43.13 | 39.00 | 34.87 | 38.99 |
| ii) | CRAR-Tier I Capital (%) | 31.29 | 37.49 | 43.13 | 39.00 | 34.87 | 38.99 |
| iii) | CRAR-Tier II Capital (%) | 20.06 | 24.00 | 3.53 | 0.00 | 0.00 | 0.00 |
| | | | | | | | |

9. DEFERRED TAX

The Movement of Deferred Tax during the Year/Period

| Particulars | Period as at 31.12.2012 | as at 31.12.2012 | as at 31.12.2011 | as at 31.12.2010 | as at 31.12.2009 | as at 31.12.2008 |
|---|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Opening Deferred Tax Liability/(Asset) | (58,142) | (17,527) | 6,439 | 42,148 | 30,486 | 0.00 |
| Movement During the Year/Period | 64,741 | (40,615) | (23,966) | (35,709) | 11,662 | 30,486 |
| Closing Deferred Tax Liability/(Asset) | 6,599 | (58,142) | (17,527) | 6,439 | 42,148 | 30,486 |
| | DTL | DTA | DTA | DTL | DTL | DTL |

Revenue of deferred tax assets has been restricted to the extent of deferred tax liabilities available. Based on schedule of reversal of Timing Differences giving rise to deferred tax liabilities, the management believes there is requisite degree of virtual certainty that the deferred tax assets, to the extent recognized would be realized.

10. Based on the information available with the company, there are no suppliers/Service providers who are registered as Micro, Small or Medium Enterprises under the "Micro, Small and Medium Enterprises Development Act, 2006", as on nine months period ended 31st December 2012 and Year ended 31st March, 2012, 31st March, 2011, 31st March, 2010, 31st March, 2009 and 31st March 2008.

Money Masters Leasing & Finance Limited
Annexure V -Restated Summary Statement of Share Capital

| Particulars | As at | | | | | | | | | | | |
|--|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|
| | 31-Dec-12 | | 31-Mar-12 | | 31-Mar-11 | | 31-Mar-10 | | 31-Mar-09 | | 31-Mar-08 | |
| | No. of Shares | Amount (Rs.) | No. of Shares | Amount (Rs.) | No. of Shares | Amount (Rs.) | No. of Shares | Amount (Rs.) | No. of Shares | Amount (Rs.) | No. of Shares | Amount (Rs.) |
| Equity Share | | | | | | | | | | | | |
| Authorised | | | | | | | | | | | | |
| Equity Shares of Rs.10/- Each | 52,00,000 | 5,20,00,000.00 | 40,00,000 | 4,00,00,000.00 | 40,00,000 | 4,00,00,000.00 | 50,00,000 | 5,00,00,000.00 | 30,00,000 | 3,00,00,000.00 | 30,00,000 | 3,00,00,000.00 |
| Issued, Subscribed and Paid up | | | | | | | | | | | | |
| Equity Shares of Rs. 10/- each fully paid up | 31,58,200 | 3,15,82,000.00 | 31,58,200 | 3,15,82,000.00 | 31,58,200 | 3,15,82,000.00 | 30,65,450 | 3,06,54,500.00 | 26,41,950 | 2,64,19,500.00 | 22,97,900 | 2,29,79,000.00 |
| Total Equity Shares (A) | 31,58,200 | 3,15,82,000.00 | 31,58,200 | 3,15,82,000.00 | 31,58,200 | 3,15,82,000.00 | 30,65,450 | 3,06,54,500.00 | 26,41,950 | 2,64,19,500.00 | 22,97,900 | 2,29,79,000.00 |
| Preference Share | | | | | | | | | | | | |
| Authorised | | | | | | | | | | | | |
| Preference Shares of Rs.100/- Each & | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 2,00,000 | 2,00,00,000.00 | 2,00,000 | 2,00,00,000.00 |
| Preference Shares of Rs. 10/- Each | 22,00,000 | 2,20,00,000.00 | 30,00,000 | 3,00,00,000.00 | 10,00,000 | 1,00,00,000.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Issued, Subscribed and Paid up | | | | | | | | | | | | |
| Preference Shares of Rs. 10/- each fully paid up | 20,79,200 | 2,07,92,000.00 | 20,39,200 | 2,03,92,000.00 | 3,11,200 | 31,12,000.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Total Preference Shares (B) | 20,79,200 | 2,07,92,000.00 | 20,39,200 | 2,03,92,000.00 | 3,11,200 | 31,12,000.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Total (A+B) | 52,37,400 | 5,23,74,000.00 | 51,97,400 | 5,19,74,000.00 | 34,69,400 | 3,46,94,000.00 | 30,65,450 | 3,06,54,500.00 | 26,41,950 | 2,64,19,500.00 | 22,97,900 | 2,29,79,000.00 |

Money Masters Leasing & Finance Limited
Annexure VI - Restated Summary Statement of Reserves and Surplus

| Particulars | Amount in Rs. | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | As at | | | | | |
| | 31-Dec-12 | 31-Mar-12 | 31-Mar-11 | 31-Mar-10 | 31-Mar-09 | 31-Mar-08 |
| A. Securities Premium Account | | | | | | |
| Balance as per last financial statements | 24,52,500.00 | 24,52,500.00 | 15,25,000.00 | 0.00 | 0.00 | 0.00 |
| Add: Receipt during the year | 0.00 | 0.00 | 9,27,500.00 | 15,25,000.00 | 0.00 | 0.00 |
| Closing balance | 24,52,500.00 | 24,52,500.00 | 24,52,500.00 | 15,25,000.00 | 0.00 | 0.00 |
| B. Surplus/(deficit) i.e. the balance in statement of profit and loss as restated | | | | | | |
| Balance as per last financial statements as restated | 23,68,022.60 | 23,29,441.00 | 18,93,689.80 | 11,34,333.00 | 28,36,695.30 | 25,89,330.10 |
| Add: restated profit for the year | 14,36,344.00 | 11,06,482.00 | 2,23,939.00 | 9,81,966.00 | 9,83,454.00 | 3,16,828.20 |
| Add: Excess tax provision | 0.00 | 4,35,540.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Add: NPA Provisions | 0.00 | 9,88,000.00 | 11,11,600.00 | 0.00 | (20,00,000.00) | 0.00 |
| Less: Preference Dividend Paid | (10,97,056.00) | (7,11,805.00) | 0.00 | 0.00 | 0.00 | 0.00 |
| Less: Dividend Distribution Tax | (1,77,969.91) | (1,15,313.00) | 0.00 | 0.00 | 0.00 | 0.00 |
| Less: Transfer to Statutory Reserve | (2,87,292.00) | (2,21,296.40) | (44,787.80) | (1,96,393.20) | (2,71,316.30) | (69,463.00) |
| Less: Adjustments related to Last year Investment | 0.00 | 0.00 | 0.00 | 0.00 | (4,14,500.00) | 0.00 |
| Less: Tax Adjustments | 0.00 | (14,43,026.00) | (8,55,000.00) | (26,216.00) | 0.00 | 0.00 |
| Balance Carried forward to Balance sheet | 22,42,048.69 | 23,68,022.60 | 23,29,441.00 | 18,93,689.80 | 11,34,333.00 | 28,36,695.30 |
| C. Reserves under 451C | | | | | | |
| Opening Balance | 16,35,756.40 | 14,14,460.00 | 13,69,672.20 | 11,73,279.00 | 9,01,963.00 | 8,32,500.00 |
| Add: Transfer during the year | 2,87,269.00 | 2,21,296.40 | 44,787.80 | 1,96,393.20 | 2,71,316.00 | 69,463.00 |
| Closing Balance | 19,23,025.40 | 16,35,756.40 | 14,14,460.00 | 13,69,672.20 | 11,73,279.00 | 9,01,963.00 |
| Total Reserves & Surplus (A+B+C) | 66,17,573.09 | 64,56,278.00 | 61,96,402.00 | 47,88,362.00 | 23,07,612.00 | 37,38,658.30 |

Money Masters Leasing & Finance Limited
Annexure VII - Restated Summary Statement of Contingent Liabilities

| Particulars | Amount in Rs. | | | | | |
|--|---------------|-------------|-------------|-------------|-------------|-------------|
| | As at | | | | | |
| | 31-Dec-12 | 31-Mar-12 | 31-Mar-11 | 31-Mar-10 | 31-Mar-09 | 31-Mar-08 |
| Contingent liabilities in respect of: | | | | | | |
| Claims against the company not acknowledged as debts | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Guarantees | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other moneys for which the company is contingently liable | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Commitments (to the extent not provided for) | | | | | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Uncalled liability on shares and other investments partly paid | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other commitments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Money Masters Leasing & Finance Limited
Annexure VIII - Restated Summary Statement of Rates of Dividend Paid

| Particulars | Amount in Rs. | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| | As at | | | | | |
| | 31-Dec-12 | 31-Mar-12 | 31-Mar-11 | 31-Mar-10 | 31-Mar-09 | 31-Mar-08 |
| Equity Dividend | | | | | | |
| Equity shares (In nos) | 31,58,200 | 31,58,200 | 31,58,200 | 30,65,450 | 26,41,950 | 22,97,900 |
| Face value (Rs.) | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| Equity Share Capital (Amount in Rs.) | 3,15,82,000.00 | 3,15,82,000.00 | 3,15,82,000.00 | 3,06,54,500.00 | 2,64,19,500.00 | 2,29,79,000.00 |
| Rate of Dividend % | 0% | 0% | 0% | 0% | 0% | 0% |
| Amount of Dividend | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Preference Dividend | | | | | | |
| Preference shares (In nos) | 20,79,200 | 20,79,200 | 3,11,200 | 0.00 | 0.00 | 0.00 |
| Face value (Rs.) | 10.00 | 10.00 | 10.00 | 0.00 | 0.00 | 0.00 |
| Preference Share Capital (Amount in Rs.) | 20792000.00 | 20792000.00 | 3112000.00 | 0.00 | 0.00 | 0.00 |
| Rate of Dividend % | 7% | 7% | 0% | 0% | 0% | 0% |
| Amount of Dividend | 1097056.00 | 711805.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Dividend Distribution Tax(Amount in Rs.) | 177969.91 | 115313.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Money Masters Leasing & Finance Limited

Annexure IX -Restated Summary Statement of Other Income

| Particulars | Amount in Rs. | | | | | | Nature | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------------------|---|
| | For the year ended | | | | | | Recurring/ non-recurring | Related/Not related to business activity |
| | 31-Dec-12 | 31-Mar-12 | 31-Mar-11 | 31-Mar-10 | 31-Mar-09 | 31-Mar-08 | | |
| Dividend | 17672.00 | 6,482.00 | 3,577.00 | 4,786.00 | 6,309.00 | 5,527.20 | Recurring | Related |
| Rent Received on Property | 0.00 | 92,258.00 | 3,30,000.00 | 3,30,000.00 | 3,30,000.00 | 2,70,000.00 | Non-Recurring | Related |
| Profit on sale of Property | 0.00 | 0.00 | 5,62,500.00 | 0.00 | 4,19,722.00 | 0.00 | Non-Recurring | Related |
| Misc. Income | 0.00 | 0.00 | 0.00 | 10,405.00 | 28,400.00 | 2,52,413.00 | Recurring | Related |
| Discount on Investment | 2,23,130.00 | 21,527.00 | 13,000.00 | 17,764.00 | 30,236.00 | 2,15,811.00 | Non- Recurring | Related |
| Profit on sale of Shares/Investments | 0.00 | 0.00 | 0.00 | 0.00 | 98,751.00 | 10,000 | Non-Recurring | Related |
| Total Other Income | 2,40,802.00 | 1,20,267.00 | 9,09,077.00 | 3,62,955.00 | 9,13,418.00 | 7,53,751.20 | | |
| Net Profit / (Loss) before tax as restated | 20,63,761 | 17,78,650 | 4,78,689 | 11,56,797 | 12,35,116 | 4,56,036 | | |
| % of Other Income | 11.67 | 6.76 | 189.91 | 31.38 | 73.95 | 165.28 | | |

Note:- The above amounts are as per the statement of Profit & Loss, as restated of the company.

Money Masters Leasing & Finance Limited

Annexure X- Restated Summary Statement of Accounting Ratios

| Particulars | Amount in Rs. | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| | As at | | | | | |
| | 31-Dec-12 | 31-Mar-12 | 31-Mar-11 | 31-Mar-10 | 31-Mar-09 | 31-Mar-08 |
| Net Worth (A) | 5,89,91,573.09 | 6,10,80,278.00 | 4,82,90,402.00 | 3,83,42,862.00 | 3,35,27,112.00 | 3,33,17,658.30 |
| Net Worth excluding Preference Share Capital (A1) | 3,81,99,573.09 | 4,06,88,278.00 | 4,51,78,402.00 | 3,83,42,862.00 | 3,35,27,112.00 | 3,33,17,658.30 |
| Restated Profit after tax (A2) | 14,36,344.00 | 11,06,482.00 | 2,23,939.00 | 9,81,966.00 | 9,83,454.00 | 3,16,828.20 |
| Less:Preference Dividend along with CDT | (12,75,025.91) | (8,27,118.00) | 0.00 | 0.00 | 0.00 | 0.00 |
| Profit after tax attributable to Equity Shareholders (B) | 1,61,318.09 | 2,79,364.00 | 2,23,939.00 | 9,81,966.00 | 9,83,454.00 | 3,16,828.20 |
| No. of shares outstanding at the end of the year (C) | 31,58,200.00 | 31,58,200.00 | 31,58,200.00 | 30,65,450.00 | 26,41,950.00 | 22,97,900.00 |
| Weighted average no of Equity shares at the time of end of the year (D) | 31,58,200.00 | 31,58,200.00 | 31,11,952.00 | 27,75,431.00 | 23,03,226.00 | 18,08,829.00 |
| Weighted average no of Potential Equity shares for Diluted EPS (E) | 31,58,200.00 | 31,58,200.00 | 31,11,952.00 | 27,75,431.00 | 23,03,226.00 | 18,08,829.00 |
| Current Assets (F) | 4,28,43,330.00 | 4,16,60,711.00 | 3,83,37,784.00 | 3,63,27,416.00 | 3,44,22,078.00 | 2,78,47,481.55 |
| Current Liabilities (G) | 1,65,60,895.91 | 1,37,44,019.50 | 1,24,52,609.50 | 1,45,95,402.00 | 1,34,03,406.00 | 1,01,97,911.50 |
| Earning Per Share (B/D) | 0.05 | 0.09 | 0.07 | 0.35 | 0.43 | 0.18 |
| Diluted Earning Per Share (Rs.) (B/E) | 0.05 | 0.09 | 0.07 | 0.35 | 0.43 | 0.18 |
| Return on Net worth (%) (B/A1) | 0.42% | 0.69% | 0.50% | 2.56% | 2.93% | 0.95% |
| Net asset value per share (A1/C) | 12.10 | 12.88 | 14.31 | 12.51 | 12.69 | 14.50 |
| Current Ratio (F/G) | 2.59 | 3.03 | 3.08 | 2.49 | 2.57 | 2.73 |

Note:-

- Earnings per share = Profit available to equity shareholders/ weighted avg number of outstanding of equity shares during the year
- Diluted Earnings per share = Profit available to equity shareholders/ weighted avg number of potential equity shares outstanding during the year
- Return on Net worth (%) = Profit available for Equity shareholders/Net worth excluding preference share Capital X 100
- Net asset value/Book value per share (Rs.) = Net worth excluding preference share Capital/No. of equity shares
- Current Ratio= Current Assets/ Current Liabilities.
- The company does not have any revaluation reserves or extraordinary items.

Money Masters Leasing & Finance Limited
Annexure XI -Restated Summary Statement of Capitalisation

| Particulars | Pre Issue as at 31st December 2012 | Post Issue* |
|---|--|-----------------------|
| - Debt: | | |
| Short Term Debt/Deposits | 1,12,92,091.00 | 1,12,92,091.00 |
| Long Term Debt/Deposits | 5,29,75,541.00 | 5,29,75,541.00 |
| Total Debts (A) | 6,42,67,632.00 | 6,42,67,632.00 |
| -Shareholders Funds: | | |
| Equity Share Capital | 3,15,82,000.00 | |
| Preference Share Capital | 2,07,92,000.00 | |
| Reserves & surplus | | |
| - Securities Premium Account | 24,52,500.00 | |
| -Surplus/(deficit) i.e. the balance in statement of profit and loss as restated | 22,75,499.09 | |
| -Reserves under 45IC | 18,89,574.00 | |
| Shareholders Funds(B) | 5,89,91,573.09 | |
| Long Term Debt/Shareholders' Funds | 0.90 | |
| Total Debt /Shareholders' Fund | 1.09 | |

* Post issue Capitalization Statement assumes that Debt level of the Company to be same as that of 31st December, 2012

Note:- The Calitalization Statement has been calculated on the basis of restated financial statements.

Money Masters Leasing & Finance Limited
Annexure XII - Restated Summary Statement of Tax Shelters

| Particulars | Amount in Rs. | | | | | |
|--|---------------------|---------------------|--------------------|---------------------|---------------------|--------------------|
| | As at | | | | | |
| | 31-Dec-12 | 31-Mar-12 | 31-Mar-11 | 31-Mar-10 | 31-Mar-09 | 31-Mar-08 |
| 1. Income from Business | 20,63,761.00 | 17,78,650.00 | 4,78,689.00 | 11,56,797.00 | 12,35,116.00 | 4,56,036.20 |
| Net Profit/Loss before taxes and extraordinary items as per books* | 20,63,761.00 | 17,78,650.00 | 4,78,689.00 | 11,56,797.00 | 12,35,116.00 | 4,56,036.20 |
| Tax Rate Applicable % | | | | | | |
| Minimum Alternate Taxes (MAT) except SC & SHEC | 18.50% | 18.50% | 18.00% | 15.00% | 10.00% | 10.00% |
| Tax at Normal Tax Rates | 30.90% | 30.90% | 30.90% | 30.90% | 30.90% | 30.90% |
| Tax at Normal Tax rate(A) | 5,62,676.00 | 7,01,967.00 | 2,78,716.00 | 5,15,591.00 | 2,38,847.00 | 1,08,722.00 |
| Adjustments | | | | | | |
| Item considered separately | | | | | | |
| - Dividend | (17,672.00) | (6,482.00) | (3,577.00) | (4,786.00) | (6,309.00) | (5,527.00) |
| - Discount on Investment written back | (2,23,130.00) | (21,527.00) | 0.00 | 0.00 | 0.00 | 0.00 |
| - Depreciation as per companies act, 1956 | 4,51,890.00 | 4,24,821.00 | 2,91,645.00 | 3,67,186.00 | 3,91,385.00 | 2,54,411.00 |
| - Depreciation as per Income Tax Act, 1961 | (6,76,993.00) | (2,93,382.00) | (2,14,084.00) | (2,51,622.00) | (4,29,125.00) | (3,53,070.00) |
| - Premium on Investment Written off | 0.00 | 80,742.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| - Share Issue Expenses | 0.00 | 1,51,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| - Interest Received | (4,67,552.00) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| - Other Adjustments-Disallowances | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| - Provision for NPA | 0.00 | 1,00,000.00 | 7,41,645.00 | 3,00,000.00 | 1,50,000.00 | 0.00 |
| - Provision for depreciation on Investment | 0.00 | 45,594.00 | 71,406.00 | 2,00,000.00 | 0.00 | 0.00 |
| - Provision for Standard Asset | 0.00 | 40,000.00 | 1,97,771.00 | 0.00 | 0.00 | 0.00 |
| - Profit on sale of shares | 0.00 | 0.00 | 0.00 | 0.00 | (98,751.00) | 0.00 |
| - Rent Income | 0.00 | (92,258.00) | (3,30,000.00) | (3,30,000.00) | (3,30,000.00) | 0.00 |
| - Profit on sale of Property | 0.00 | 0.00 | (5,62,500.00) | 0.00 | (4,19,722.00) | 0.00 |
| Total Income from Business | 11,30,304.00 | 22,07,158.00 | 6,70,995.00 | 14,37,575.00 | 4,92,594.00 | 3,51,850.20 |
| 2. Income from House Property | | | | | | |
| - Rent Received | 0.00 | 92,258.00 | 3,30,000.00 | 3,30,000.00 | 3,30,000.00 | 0.00 |
| - Less: 30% Deduction | 0.00 | (27,677.40) | (99,000.00) | (99,000.00) | (99,000.00) | 0.00 |
| total Income from House Property | 0.00 | 64,580.60 | 2,31,000.00 | 2,31,000.00 | 2,31,000.00 | 0.00 |
| 3. Income from Capital Gain | | | | | | |
| - Capital loss C/F to Subsequent year | 0.00 | 0.00 | (56,464.00) | 0.00 | (3,77,817.00) | 0.00 |
| - Long Term | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| - Short Term | 0.00 | 0.00 | 0.00 | 0.00 | 98,751.00 | 0.00 |
| Total Income from Capital Gain | 0.00 | 0.00 | 0.00 | 0.00 | 98,751.00 | 0.00 |
| 4. Income From Other Sources | | | | | | |
| Dividend | 6,90,652.00 | 6,482.00 | 3,577.00 | 4,786.00 | 6,309.00 | 5,527.00 |
| Less: Exempt U/s 10(34) | (6,90,652.00) | (6,482.00) | (3,577.00) | (4,786.00) | (6,309.00) | (5,527.00) |
| Interest from Investment in bonds | 4,67,522.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Discount on Investment Written back | 2,23,130.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Income from Other Sources | 6,90,652.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Taxable Income other than STCG | 18,20,956.00 | 22,71,738.60 | 9,01,995.00 | 16,68,575.00 | 7,23,594.00 | 3,51,850.20 |
| Tax on Income other than STCG | 5,62,675.40 | 7,01,967.23 | 2,78,716.46 | 5,15,589.68 | 2,23,590.55 | 1,08,721.71 |
| Add: 15% Tax on Short Term Capital Gain of Rs. 98751 | 0.00 | 0.00 | 0.00 | 0.00 | 15,257.03 | 0.00 |
| Total Tax Payable | 5,62,675.40 | 7,01,967.23 | 2,78,716.46 | 5,15,589.68 | 2,38,847.58 | 1,08,721.71 |
| Total Tax Payable (Rounded Off) | 5,62,676.00 | 7,01,967.00 | 2,78,716.00 | 5,15,591.00 | 2,38,847.00 | 1,08,722.00 |

(*) Tax payable as per computation made for provision for tax.

Note-The above adjustments are provided on the basis of the Income Tax Return filed by the Company for the respective Assessment years.

Money Masters Leasing & Finance Limited
Annexure XIII - Statement of Long-Term Borrowings/Deposits

| Particulars | Amount in Rs. | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | As at | | | | | |
| | 31-Dec-12 | 31-Mar-12 | 31-Mar-11 | 31-Mar-10 | 31-Mar-09 | 31-Mar-08 |
| Long term Borrowings/Deposits | | | | | | |
| From bank(Secured) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Secured Deposits | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Unsecured | | | | | | |
| Definite Forecast Scheme | 81,49,056.00 | 1,15,21,186.00 | 1,18,58,952.00 | 1,15,09,865.00 | 92,61,325.00 | 7822280 |
| High Liquidity scheme | 2,65,94,099.00 | 2,86,00,099.00 | 2,75,70,099.00 | 2,53,50,944.00 | 2,24,88,990.00 | 16496320 |
| Deposits-Directors & Relatives | 1,41,79,782.00 | 53,74,782.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Discount on Investment in Govt Security | 3,39,473.00 | 3,39,473.00 | 2,21,000.00 | 0.00 | 0.00 | 0.00 |
| Loans and advances from Bodies Corporate-CORPORATE DEPOSITS | 37,13,131.00 | 23,13,131.00 | 44,00,478.00 | 96,67,338.00 | 1,14,41,361.00 | 1,41,60,749.00 |
| Total Unsecured Deposits | 5,29,75,541.00 | 4,81,48,671.00 | 4,40,50,529.00 | 4,65,28,147.00 | 4,31,91,676.00 | 3,84,79,349.00 |

Money Masters Leasing & Finance Limited
Annexure XIV - Restated Statement of Short-Term Borrowings/Deposits

| Particulars | Amount in Rs. | | | | | |
|--|-----------------------|-----------------------|---------------------|-----------------------|---------------------|---------------------|
| | As at | | | | | |
| | 31-Dec-12 | 31-Mar-12 | 31-Mar-11 | 31-Mar-10 | 31-Mar-09 | 31-Mar-08 |
| Short term Deposits | 1,12,92,091.00 | 1,02,65,537.00 | 93,32,307.00 | 84,83,915.00 | 77,12,650.00 | 70,11,500.00 |
| Short term Borrowings | | | | | | |
| -Secured Loan | | | | | | |
| Working capital limits from scheduled banks | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| -Loan From Scheduled Bank | | | | | | |
| Overdraft -Bombay Mercantile Co-operative Bank Ltd | 0.00 | 0.00 | 0.00 | 27,97,143.00 | 5,28,128.00 | 33,134.00 |
| Term loans from scheduled banks | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 1,12,92,091.00 | 1,02,65,537.00 | 93,32,307.00 | 1,12,81,058.00 | 82,40,778.00 | 70,44,634.00 |

Principal Terms and Conditions and Security of the Secured Loans outstanding:

| Name of Bank | Type of Facility | Interest Rate | Security | Repayment Schedule |
|-------------------------------------|--------------------|---------------|---------------|--------------------------------------|
| Bombay Mercantile CO-Operative Bank | Overdraft Facility | 9.50% | Fixed Deposit | Not applicable since it is Overdraft |

* Principal terms of Bank Overdraft are:

- 1) All Bank Overdraft are secured by Fixed Deposit.
- 2) Rate of Interest of Bank Overdraft is given above.
- 3) There are no unsecured loans that need to be disclosed separately, therefore disclosures regarding unsecured loans are not applicable.

Money Masters Leasing & Finance Limited
Annexure XV -Statement of Long-Term Provisions and Other Long-Term Liabilities

| Particulars | Amount in Rs. | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | As at | | | | | |
| | 31-Dec-12 | 31-Mar-12 | 31-Mar-11 | 31-Mar-10 | 31-Mar-09 | 31-Mar-08 |
| Other long-term Liabilities | | | | | | |
| Interest Payable under DFS | 25,85,882.00 | 16,11,131.50 | 12,74,015.50 | 17,23,998.00 | 15,80,437.00 | 16,48,028.50 |
| Total other long-term liabilities | 25,85,882.00 | 16,11,131.50 | 12,74,015.50 | 17,23,998.00 | 15,80,437.00 | 16,48,028.50 |
| Long-term provisions | | | | | | |
| Provision for NPA | 34,70,400.00 | 33,70,400.00 | 39,08,400.00 | 47,20,000.00 | 23,32,000.00 | 23,32,000.00 |
| Provision for Standard Assets | 2,37,771.00 | 2,37,771.00 | 1,97,771.00 | 0.00 | 0.00 | 0.00 |
| Total Long-term provisions | 37,08,171.00 | 36,08,171.00 | 41,06,171.00 | 47,20,000.00 | 23,32,000.00 | 23,32,000.00 |

Annexure- XVI

1. Related Party Disclosures for the year ended 31st March 2008 in accordance with AS - 18 issued by The ICAI

| | | |
|----------------|---|--|
| a) | List of related parties & relationships, where control exists. | |
| Sr. No. | Nature of Relationship | Name of Parties |
| 1 | Holding Company | NIL |
| 2 | Subsidiary Company | NIL |
| 3 | Associates | NIL |
| 4 | Key Management Personnel | Hozef Abdulhussain Darukhanawala Durriya Hozefa Darukhanawala |

| | | | | | | | |
|---------|---|-----------------|--------------------|--|--|---------------------------------------|---|
| | | | | Tasneem Lakdawala | | | |
| 5 | Relatives of Key Management Personnel | | | Shirin Lakdawala Nafisa Khambati Karim Sanchwala | | | |
| 6 | Enterprises where Significant Influence exist by Key Management Personnel | | | NIL | | | |
| b) | Transactions with Related Parties (Amount in Rs.) | | | | | | |
| Sr. No. | Transactions | Holding Company | Subsidiary Company | Associates | Key Management Personnel / Individuals | Relatives of Key Management Personnel | Enterprises where Significant Influence exist by Key Management Personnel |
| 1 | Remuneration | NIL (NIL) | NIL (NIL) | NIL (NIL) | 4,00,000 (1,50,000) | NIL (NIL) | NIL (NIL) |
| 2 | Deposit taken by the Company | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| 3 | Rent | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| 4 | Deposit given by the Company | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| | | | | | | | |
| 5 | Outstanding as on 31.03.2008 | | | | | | |
| | a) Amount Receivable | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| | b) Amount Payable | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| | c) Security Deposit Received | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |

Note:

- a) Figures in bracket represent previous year amounts.
b) No amount have been written off/provided for or written back during the year in respect of amount receivable from or payable to the related parties.

| 2. Related Party Disclosures for the year ended 31st March 2009 in accordance with AS - 18 issued by The ICAI | | |
|--|---|---|
| a) | List of related parties & relationships, where control exists. | |
| Sr. No. | Nature of Relationship | Name of Parties |
| 1 | Holding Company | NIL |
| 2 | Subsidiary Company | NIL |
| 3 | Associates | NIL |
| 4 | Key Management Personnel | Hozef Abdulhussain Darukhanawala Durriya Hozefa Darukhanawala Tasneem Lakdawala |
| 5 | Relatives of Key Management Personnel | Shirin Lakdawala Nafisa Khambati Karim Sanchwala |
| 6 | Enterprises where Significant Influence exist by Key Management Personnel | NIL NIL |
| b) | Transactions with Related Parties (Amount in Rs.) | |

| Sr. No. | Transactions | Holding Company | Subsidiary Company | Associates | Key Management Personnel / Individuals | Relatives of Key Management Personnel | Enterprises where Significant Influence exist by Key Management Personnel |
|---------|--|-----------------|--------------------|--------------|--|---------------------------------------|---|
| 1 | Remuneration | NIL (NIL) | NIL (NIL) | NIL (NIL) | 6,00,000 (4,00,000) | NIL (NIL) | NIL (NIL) |
| 2 | Deposit taken by the Company | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| 3 | Rent | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| 4 | Deposits given by the Company | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| 5 | <u>Outstanding as on 31.03.2009</u> | | | | | | |
| | a) Amount Receivable | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| | b) Amount Payable | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| | c) Security Deposit Received | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |

Note:

- a) Figures in bracket represent previous year amounts.
b) No amount have been written off/provided for or written back during the year in respect of amount receivable from or payable to the related parties.

| 3. Related Party Disclosures for the year ended 31st March 2010 in accordance with AS - 18 issued by The ICAI | | | | | | | |
|---|---|---|--------------------|------------|--|---------------------------------------|---|
| a) | List of related parties & relationships, where control exists. | | | | | | |
| <u>Sr. No.</u> | <u>Nature of Relationship</u> | <u>Name of Parties</u> | | | | | |
| 1 | Holding Company | NIL | | | | | |
| 2 | Subsidiary Company | NIL | | | | | |
| 3 | Associates | NIL | | | | | |
| 4 | Key Management Personnel | Hozef Abdulhussain Darukhanawala Durriya Hozefa Darukhanawala Tasneem Lakdawala | | | | | |
| 5 | Relatives of Key Management Personnel | Shirin Lakdawala Nafisa Khambati Karim Sanchwala | | | | | |
| 6 | Enterprises where Significant Influence exist by Key Management Personnel | NIL | | | | | |
| | | NIL | | | | | |
| b) | Transactions with Related Parties (Amount in Rs.) | | | | | | |
| Sr. No. | Transactions | Holding Company | Subsidiary Company | Associates | Key Management Personnel / Individuals | Relatives of Key Management Personnel | Enterprises where Significant Influence exist by Key Management Personnel |

| | | | | | | | |
|----------|--|--------------|--------------|--------------|------------------------|--------------|--------------|
| 1 | Remuneration | NIL (NIL) | NIL (NIL) | NIL (NIL) | 6,00,000 (6,00,000) | NIL (NIL) | NIL (NIL) |
| 2 | Deposit taken by the Company | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| 3 | Rent | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| 4 | Deposits given by the Company | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| 5 | <u>Outstanding as on 31.03.2010</u> | | | | | | |
| | a) Amount Receivable | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| | b) Amount Payable | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| | c) Security Deposit Received | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |

Note:

- a) Figures in bracket represent previous year amounts.
b) No amount have been written off/provided for or written back during the year in respect of amount receivable from or payable to the related parties.

| 4. Related Party Disclosures for the year ended 31st March 2011 in accordance with AS - 18 issued by The ICAI | | | | | | | |
|---|---|-----------------|--------------------|---|--|---------------------------------------|---|
| a) | List of related parties & relationships, where control exists. | | | | | | |
| Sr. No. | Nature of Relationship | | | Name of Parties | | | |
| 1 | Holding Company | | | NIL | | | |
| 2 | Subsidiary Company | | | NIL | | | |
| 3 | Associates | | | NIL | | | |
| 4 | Key Management Personnel | | | Hozef Abdulhussain Darukhanawala Durriya Hozefa Darukhanawala Tasneem Lakdawala | | | |
| 5 | Relatives of Key Management Personnel | | | Shirin Lakdawala Nafisa Khambati Karim Sanchwala | | | |
| 6 | Enterprises where Significant Influence exist by Key Management Personnel | | | NIL | | | |
| b) | Transactions with Related Parties (Amount in Rs.) | | | | | | |
| Sr. No. | Transactions | Holding Company | Subsidiary Company | Associates | Key Management Personnel / Individuals | Relatives of Key Management Personnel | Enterprises where Significant Influence exist by Key Management Personnel |
| 1 | Remuneration | NIL (NIL) | NIL (NIL) | NIL (NIL) | 6,00,000 (6,00,000) | NIL (NIL) | NIL (NIL) |
| 2 | Deposit taken by the Company | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| 3 | Rent | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| 4 | Deposits given by the Company | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| 5 | Outstanding as on 31.03.2011 | | | | | | |
| | a) Amount Receivable | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |

| | | | | | | | |
|--|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | b) Amount Payable | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| | c) Security Deposit Received | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |

Note:

- a) Figures in bracket represent previous year amounts.
b) No amount have been written off/provided for or written back during the year in respect of amount receivable from or payable to the related parties.

| 5. Related Party Disclosures for the year ended 31 st March, 2012 in accordance with AS - 18 issued by The ICAI | | | | | | | |
|--|---|-----------------|--------------------|---|--|---------------------------------------|---|
| a) | List of related parties & relationships, where control exists. | | | | | | |
| Sr. No. | Nature of Relationship | | | Name of Parties | | | |
| 1 | Holding Company | | | NIL | | | |
| 2 | Subsidiary Company | | | NIL | | | |
| 3 | Associates | | | NIL | | | |
| 4 | Key Management Personnel | | | Hozef Abdulhussain Darukhanawala Durriya Hozefa Darukhanawala Tasneem Lakdawala | | | |
| 5 | Relatives of Key Management Personnel | | | Shirin Lakdawala Nafisa Khambati Karim Sanchwala | | | |
| 6 | Enterprises where Significant Influence exist by Key Management Personnel | | | NIL | | | |
| b) | Transactions with Related Parties (Amount in Rs.) | | | | | | |
| Sr. No. | Transactions | Holding Company | Subsidiary Company | Associates | Key Management Personnel / Individuals | Relatives of Key Management Personnel | Enterprises where Significant Influence exist by Key Management Personnel |
| 1 | Remuneration | NIL (NIL) | NIL (NIL) | NIL (NIL) | 6,00,000 (6,00,000) | NIL (NIL) | NIL (NIL) |
| 2 | Deposit taken by the Company | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 74,782 (NIL) | NIL (NIL) |
| 3 | Rent | NIL (NIL) | NIL (NIL) | NIL (NIL) | 1,57,500 (NIL) | NIL (NIL) | NIL (NIL) |
| 4 | Deposit given by the Company | NIL (NIL) | NIL (NIL) | NIL (NIL) | 5,00,000 (NIL) | NIL (NIL) | NIL (NIL) |
| 5 | Outstanding as on 31.03.2012 | | | | | | |
| | a) Amount Receivable | NIL (NIL) | NIL (NIL) | NIL (NIL) | 5,00,000 (NIL) | NIL (NIL) | NIL (NIL) |
| | b) Amount Payable | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 74,782 (NIL) | NIL (NIL) |
| | c) Share Application Money | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |

Note:

- a) Figures in bracket represent previous year amounts.
b) No amount have been written off/provided for or written back during the year in respect of amount receivable from or payable to the related parties.

| 5. Related Party Disclosures for the period ended 31 st December, 2012 in accordance with AS - 18 issued by The ICAI | | | | | | | |
|---|---|---|--------------------|--------------|--|---------------------------------------|---|
| a) | List of related parties & relationships, where control exists. | | | | | | |
| Sr. No. | Nature of Relationship | Name of Parties | | | | | |
| 1 | Holding Company | NIL | | | | | |
| 2 | Subsidiary Company | NIL | | | | | |
| 3 | Associates | NIL | | | | | |
| 4 | Key Management Personnel | Hozef Abdulhussain Darukhanawala Durriya Hozefa Darukhanawala Tasneem Lakdawala | | | | | |
| 5 | Relatives of Key Management Personnel | Shirin Lakdawala Nafisa Khambati Karim Sanchwala | | | | | |
| 6 | Enterprises where Significant Influence exist by Key Management Personnel | NIL | | | | | |
| b) | Transactions with Related Parties (Amount in Rs.) | | | | | | |
| Sr. No. | Transactions | Holding Company | Subsidiary Company | Associates | Key Management Personnel / Individuals | Relatives of Key Management Personnel | Enterprises where Significant Influence exist by Key Management Personnel |
| 1 | Remuneration | NIL (NIL) | NIL (NIL) | NIL (NIL) | 5,25,000 (6,00,000) | NIL (NIL) | NIL (NIL) |
| 2 | Deposit taken by the Company | NIL (NIL) | NIL (NIL) | NIL (NIL) | 20,00,000 (NIL) | 13,05,000 (74,782) | NIL (NIL) |
| 3 | Rent | NIL (NIL) | NIL (NIL) | NIL (NIL) | 1,41,250 (1,57,500) | NIL (NIL) | NIL (NIL) |
| 4 | Deposit given by the Company | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (5,00,000) | NIL (NIL) | NIL (NIL) |
| 5 | Outstanding as on 31.12.2012 | | | | | | |
| | a) Amount Receivable | NIL (NIL) | NIL (NIL) | NIL (NIL) | 5,00,000 (5,00,000) | NIL (NIL) | NIL (NIL) |
| | b) Amount Payable | NIL (NIL) | NIL (NIL) | NIL (NIL) | 20,00,000 (NIL) | 13,79,782 (74,782) | NIL (NIL) |
| | c) Share Application Money | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |

Note:

- Figures in bracket represent previous year i.e. 1st April 2011 to 31st March 2012 amounts.
- No amount have been written off/provided for or written back during the year in respect of amount receivable from or payable to the related parties.

| Money Masters Leasing & Finance Limited | | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Annexure XVII -Restated Summary Statement of Long-Term Loans and Advances and Other Non-Current Assets | | | | | | |
| Particulars | Amount in Rs. | | | | | |
| | As at | | | | | |
| | 31-Dec-12 | 31-Mar-12 | 31-Mar-11 | 31-Mar-10 | 31-Mar-09 | 31-Mar-08 |
| A. Long-term loans and advances | | | | | | |
| Advances recoverable in cash or in kind or for value to be received | | | | | | |
| Considered good (Secured) | 7,96,55,499.00 | 6,52,19,095.00 | 5,73,71,659.00 | 5,71,67,888.00 | 4,87,91,971.00 | 4,31,41,140.65 |
| Considered good (Unsecured) | 2,31,316.00 | 2,82,916.00 | 4,23,658.00 | 5,25,800.00 | 5,99,800.00 | 7,99,800.00 |
| Considered Doubtful | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Less: Provision | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Sub-Total | 7,98,86,815.00 | 6,55,02,011.00 | 5,77,95,317.00 | 5,76,93,688.00 | 4,93,91,771.00 | 4,39,40,940.65 |
| Deposits (Unsecured) | 18,65,847.00 | 19,90,847.00 | 11,65,847.00 | 11,65,847.00 | 11,65,847.00 | 11,62,047.00 |
| Total Long-term loans and advances (A) | 8,17,52,662.00 | 6,74,92,858.00 | 5,89,61,164.00 | 5,88,59,535.00 | 5,05,57,618.00 | 4,51,02,987.65 |
| B. Other Non- Current Assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Other Non- Current Assets (B) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| Amounts given to Directors / Promoters / Promoter Group Companies / Relatives of Promoters / Relatives of Directors / Subsidiary Companies | | | | | | |
|--|---------------|-------------|-----------|-----------|-----------|-----------|
| Particulars | Amount in Rs. | | | | | |
| | As at | | | | | |
| | 31-Dec-12 | 31-Mar-12 | 31-Mar-11 | 31-Mar-10 | 31-Mar-09 | 31-Mar-08 |
| Durriya Hozef Darukhanawala (Director) | 5,00,000.00 | 5,00,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| Money Masters Leasing & Finance Limited | | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Annexure XVIII -Restated Summary Statement of Short-Term Loans and Advances and Other Current Assets | | | | | | |
| Particulars | Amount in Rs. | | | | | |
| | As at | | | | | |
| | 31-Dec-12 | 31-Mar-12 | 31-Mar-11 | 31-Mar-10 | 31-Mar-09 | 31-Mar-08 |
| A.Short Term Loans and advances | | | | | | |
| (Secured, considered good by the management) | 3,48,93,711.00 | 2,90,78,093.00 | 2,42,31,744.00 | 2,01,93,120.00 | 1,68,27,600.00 | 1,40,23,000.00 |
| Total Short-term loans and advances (A) | 3,48,93,711.00 | 2,90,78,093.00 | 2,42,31,744.00 | 2,01,93,120.00 | 1,68,27,600.00 | 1,40,23,000.00 |
| B. Other current assets | | | | | | |
| Interest Receivable from Asset Financing | 34,81,000.00 | 32,51,050.00 | 25,32,376.00 | 65,38,715.00 | 80,62,439.00 | 51,82,017.00 |
| Interest Receivable from Non Hire Purchase Loans | 13,47,259.00 | 15,53,040.00 | 14,50,046.00 | 24,65,766.00 | 31,77,355.00 | 27,62,860.00 |
| Interest Receivable from Government Securities | 11,677.00 | 3,76,241.00 | 3,22,711.00 | 2,92,123.00 | 2,07,013.00 | 3,62,190.00 |
| Interest Receivable from Bank FDR's | 2,39,643.00 | 3,19,523.00 | 5,16,954.00 | 2,26,740.00 | 41,786.00 | 0.00 |
| Rent Receivable | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 21,268.00 |
| Advance for Vehicle | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,50,000.00 |
| Advance paid | 5,00,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Receivable | 0.00 | 0.00 | 0.00 | 0.00 | 8,60,160.00 | 8,05,385.00 |
| Deposits & Taxes | | | | | | |
| Income Tax | 14,32,300.00 | 10,32,659.00 | 17,94,101.00 | 20,14,389.00 | 17,53,999.00 | 14,73,293.00 |
| TDS from deposit Interest | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,17,218.00 |
| Other Current Assets(B) | 70,11,879.00 | 65,32,513.00 | 66,16,188.00 | 1,15,37,733.00 | 1,41,02,752.00 | 1,09,74,231.00 |

| Money Masters Leasing & Finance Limited | | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Annexure XIX - Restated Summary Statement of Trade Payables, Other Current Liabilities and Short-Term Provisions | | | | | | |
| Particulars | Amount in Rs. | | | | | |
| | As at | | | | | |
| | 31-Dec-12 | 31-Mar-12 | 31-Mar-11 | 31-Mar-10 | 31-Mar-09 | 31-Mar-08 |
| Current Liabilities | | | | | | |
| A.Trade Payables* | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total trade payables | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| B.Other Current Liabilities | | | | | | |
| Interest Payable on ICDs | 2,06,943.00 | 1,10,395.00 | 2,31,634.00 | 4,30,931.00 | 7,61,304.00 | 10,77,902.00 |
| Interest Payable under DFS | 20,92,000.00 | 16,11,131.50 | 12,74,015.50 | 17,23,998.00 | 15,80,437.00 | 16,48,028.50 |
| Interest Payable under HLS | 0.00 | 0.00 | 0.00 | 0.00 | 1,236.00 | 1,98,768 |
| Other Payable | 7,50,000.00 | 50,000.00 | 0.00 | 28,066.00 | 0.00 | 1,19,857.00 |
| Total Other Current Liabilities | 30,48,943.00 | 17,71,526.50 | 15,05,649.50 | 21,82,995.00 | 23,42,977.00 | 30,44,555.50 |
| C. Short Term Provisions | | | | | | |
| Provision for NPA | 0.00 | 1,00,000.00 | 4,50,000.00 | 3,00,000.00 | 21,50,000.00 | 0.00 |
| Provision for Depreciation on Investment | 3,17,000.00 | 3,17,000.00 | 2,71,406.00 | 2,00,000.00 | 2,38,000.00 | 0.00 |
| Provision for Tax | 16,62,927.00 | 11,04,548.00 | 8,26,305.00 | 5,48,762.00 | 3,54,773.00 | 1,08,722.00 |
| Provision for Other Expenses | 61,965.00 | 70,091.00 | 66,942.00 | 82,587.00 | 76,878.00 | 0.00 |
| Provision for Corporate Dividend Tax | 1,77,969.91 | 1,15,317.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Short Term Provisions | 22,19,861.91 | 17,06,956.00 | 16,14,653.00 | 11,31,349.00 | 28,19,651.00 | 1,08,722.00 |
| Note:- | | | | | | |
| * Refer Point number 10 of Annexure-IV. | | | | | | |

| Money Masters Leasing & Finance Limited | | | | | | |
|--|---------------|-------------|-------------|-------------|-------------|-------------|
| Annexure XX - Restated Summary Statement of Trade Receivables (Unsecured, considered good) | | | | | | |
| Age wise Breakup | Amount in Rs. | | | | | |
| | As at | | | | | |
| | 31-Dec-12 | 31-Mar-12 | 31-Mar-11 | 31-Mar-10 | 31-Mar-09 | 31-Mar-08 |
| Outstanding for a period exceeding six months from the date they are due for payment | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other trade receivables | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Money Masters Leasing & Finance Limited
Annexure XXI - Restated Summary Statement of Non-Current Investments

| Particulars | As at | | | | | | | | | | | |
|--|---------------|----------------------|---------------|-----------------------|---------------|-----------------------|---------------|----------------------|---------------|----------------------|---------------|----------------------|
| | Amount in Rs. | | | | | | | | | | | |
| | 31-Dec-12 | | 31-Mar-12 | | 31-Mar-11 | | 31-Mar-10 | | 31-Mar-09 | | 31-Mar-08 | |
| | No. of Shares | Aggregate Book Value | No. of Shares | Aggregate Book Value | No. of Shares | Aggregate Book Value | No. of Shares | Aggregate Book Value | No. of Shares | Aggregate Book Value | No. of Shares | Aggregate Book Value |
| 1. SHARES- QUOTED | | | | | | | | | | | | |
| Non current investments | | | | | | | | | | | | |
| In shares | 9,417 | 7,07,032.00 | 9,417 | 7,07,032.00 | 9,417 | 7,07,032.00 | 9,417 | 7,07,032.00 | 9,417 | 7,07,032.00 | 9,417 | 7,07,032.00 |
| In Units of UTI | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 2,000 | 2,00,000.00 | 2,000 | 2,00,000.00 | 2,000 | 2,00,000.00 |
| FD with Ajay Corp Society | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | | 51,000.00 | | 51,000.00 | | 51,000.00 |
| Bank FD with BHARAT CO-OP BANK LTD | 0 | 0.00 | 0 | 20,00,000.00 | 0 | 20,00,000.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| HDFC NCD series 119(E-001) | 0 | 0.00 | 1 | 10,00,000.00 | 1 | 10,00,000.00 | 1 | 10,00,000.00 | 1 | 10,00,000.00 | 1 | 10,76,000.00 |
| IN GOVT SECURITIES | | | | | | | | | | | | |
| Maharashtra State Electricity Board Bonds | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 1 | 3,00,000.00 | 1 | 3,00,000.00 | 1 | 3,22,500.00 |
| Kerala Financial Corporation | 0 | 0.00 | 10,000 | 10,00,000.00 | 10,000 | 10,00,000.00 | 10,000 | 10,00,000.00 | 10,000 | 10,00,000.00 | | |
| Transmission Corporation of AP Ltd | 0 | 0.00 | 2 | 20,00,000.00 | 2 | 20,00,000.00 | 2 | 20,00,000.00 | 2 | 20,00,000.00 | 2 | 20,70,000.00 |
| Karnataka State Financial Corporation | 1 | 10,00,000.00 | 1 | 10,00,000.00 | 1 | 10,00,000.00 | 1 | 10,00,000.00 | 1 | 10,00,000.00 | 2 | 20,08,000.00 |
| Maharashtra krishna Valley Development Corporation | 0 | 0.00 | 20 | 20,00,000.00 | 20 | 20,00,000.00 | 20 | 20,00,000.00 | 0 | 0.00 | 0 | 0.00 |
| PFC 2017 | | 0.00 | 1 | 10,00,000.00 | 1 | 10,00,000.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Government of India Bond 2028 | 13,000 | 13,00,000.00 | 13,000 | 13,00,000.00 | 13,000 | 13,00,000.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Government of India Bond 2032 | 30,000 | 30,00,000.00 | 30,000 | 30,00,000.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Government of India Bond 2027 | 25,000 | 25,00,000.00 | 25,000 | 25,00,000.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Premium on Investment | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| 2. SHARES- UNQUOTED | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Total Non current Investments | | 85,07,032.00 | | 1,75,07,032.00 | | 1,20,07,032.00 | | 82,58,032.00 | | 62,58,032.00 | | 64,34,532.00 |
| Aggregate Market Value | | | | | | | | | | | | |
| Quoted Share | 9,417 | 641617 | 9,417 | 570652 | 9,417 | 539266 | 9,417 | 445747 | 9,417 | 490321 | 9,417 | 539354 |

Money Masters Leasing & Finance Limited
Annexure XXII - Statement of Current Investments

| Particulars | As at | | | | | | | | | | | |
|-----------------------------------|---------------|----------------------|---------------|----------------------|---|----------------------|---|----------------------|---|----------------------|---|----------------------|
| | Amount in Rs. | | | | | | | | | | | |
| | 31-Dec-12 | | 31-Mar-12 | | 31-Mar-11 | | 31-Mar-10 | | 31-Mar-09 | | 31-Mar-08 | |
| | No. of Shares | Aggregate Book Value | No. of Shares | Aggregate Book Value | No. of Shares | Aggregate Book Value | No. of Shares | Aggregate Book Value | No. of Shares | Aggregate Book Value | No. of Shares | Aggregate Book Value |
| Current Investments | | | | | | | | | | | | |
| -Bank Fixed Deposit with BMC Bank | 0.00 | 0.00 | 0.00 | 0.00 | Not Applicable because investment in the form of Bank Fixed Deposit | 41,65,329.00 | Not Applicable because investment in the form of Bank Fixed Deposit | 30,00,000.00 | Not Applicable because investment in the form of Bank Fixed Deposit | 15,00,000.00 | Not Applicable because investment in the form of Bank Fixed Deposit | 50,000.00 |
| SHARES- UNQUOTED | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Current Investments | | 0.00 | 0.00 | 0.00 | 0.00 | 4165329.00 | 0.00 | 3000000.00 | 0.00 | 1500000.00 | 0.00 | 50000.00 |

CHANGES IN ACCOUNTING POLICIES IN THE LAST 3 YEARS

The Board of Directors met on December 27, 2011 to consider a change in policy with regard to the source of funds. Considering the prevailing economic and regulatory scenario a policy decision has been taken that henceforth the sourcing of funds will be through enhancement of the Capital base by an increase in the Equity and Preference Shares and mobilization of deposits from Directors and their relatives. No new Public deposits will be accepted nor existing ones renewed.

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

You should read the following discussion and analysis of our Company's financial condition and results of operations together with our Company's financial statements included in this Draft Prospectus. You should also read the Chapter titled "Risk Factors" beginning on page x of this Draft Prospectus, which enumerates number of factors and contingencies that could impact our Company's financial condition and results of operations.

These financial statements have been prepared in accordance with the Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations, 2009 and restated as described in the report of the Peer Review Auditor dated January 20, 2013 in the Chapter titled "Financial Information" beginning on page 78 of this Draft Prospectus.

Our financial year ends on March 31 of each year, so all references to a particular fiscal year to 12-month period ended March 31 of that year. Our Company's historical financial performance may not be considered as indicative of future financial performance.

i. OVERVIEW OF THE BUSINESS OF THE COMPANY

Our Company was incorporated as 'Money Masters Leasing & Finance Private Limited' at Mumbai on October 26, 1994 under the Companies Act, 1956 with the Registrar of Companies, Maharashtra. On February 09, 1996 the name of the Company was changed to 'Money Masters Leasing & Finance Limited'.

Our Company is a NBFC registered with RBI to carry on NBFC Activities under Section 45IA of the Reserve Bank of India Act, 1934 bearing Certificate no. 13.00931 dated July 31, 1998.

ii. SIGNIFICANT DEVELOPMENTS AFTER THE PERIOD ENDED DECEMBER 31, 2012 THAT AFFECT OUR FUTURE RESULTS OF OPERATIONS

In the opinion of the Board of Directors, no events or circumstances have arisen since the date of the last Audited Financial Statements contained in this Draft Prospectus which materially or adversely affect or is likely to affect the trading and profitability of the Company, or the value of its assets, or its ability to pay liabilities within next twelve months.

iii. KEY FACTORS AFFECTING THE RESULTS OF OPERATION

Our Company's business is subject to various risks and uncertainties, including those discussed in the section titled "Risk Factors" beginning on page x of this Draft Prospectus. Some of the important factors that may affect the results of operations, financial condition and cash flows are discussed in this section.

- Interest rate fluctuation
- Non-payment or default by borrowers
- Change in Laws and Regulations governing NBFC Industry
- Recruitment and Retention of employees
- Change in economic liberalization and deregulation policies
- Changes in Indian economic conditions

Key Accounting Policies

1. ACCOUNTING CONCEPTS

The financial statements are prepared on historical cost convention complying with the relevant provisions of the Companies Act, 1956 and the Accounting Standards issued by the Institute of Chartered Accountants of India, as applicable. The company follows prudential norms for income recognition; asset classification and provisioning for non-performing assets as prescribed by Reserve Bank of India vide Non-Banking Financial Companies Prudential Norms (Reserve Bank) Direction.

Previous Year's Figures

During the year ended March 31, 2012 the Revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company. Therefore, the Company has reclassified previous year's figures to conform to classification mentioned in Revised Schedule VI notified under the Companies Act, 1956.

2. USE OF ESTIMATES

The preparation of the financial statements requires use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of income and expenses during the reporting period and disclosure of contingent liabilities as at that date. The estimates and assumptions used in these financial statements are based upon the management evaluation of the relevant facts and circumstances as of the date of the financial statements. Management believes that these estimates and assumptions used are prudent and reasonable. Future results may vary from these estimates.

3. REVENUE RECOGNITION

Revenues are recognized and expenses are accounted on accrual basis with necessary provisions for all known liabilities and losses. Income from Non- Performing Assets is recognized only when it is realized. Income and expense under bilateral assignment of receivables accrue over the life of the related receivables assigned. Interest income and expenses on bilateral assignment of receivables are accounted on gross basis.

4. EMPLOYEE BENEFITS

Short Term Employee Benefits: Short Term Employee Benefits for services rendered by employees are recognized during the period when the services are rendered.

5. FIXED ASSETS

Fixed assets are stated at historical cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is charged at the rates specified in Schedule XIV of the Companies Act, 1956 on Written Down Value method.

Individual assets costing upto Rs. 5000 are depreciated in full in the year of purchase.

6. INTANGIBLE ASSETS

Intangible Assets are amortized over their expected useful life. It is stated at cost, net of amortization.

7. TAXES ON INCOME

Income Tax expenses comprises of current tax and deferred tax (asset or liability). Current tax is the amount of tax payable on the taxable income for the year and determined in accordance with the provisions of the Income Tax Act 1961. Deferred tax is recognized, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

8. INVESTMENTS

Investments intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost or market value/realizable value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary, in the value of the investments.

9. PROVISION FOR NON PERFORMING ASSETS

Loan receivables are written off / provided for, as per management estimates, subject to the minimum provision required as per Non- Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions.

10. ADVANCES

Advances are classified as performing and non-performing assets and provisions are made in accordance with the Prudential Norms on Income Recognition, Asset Classification and Provisioning prescribed by Reserve Bank of India from time to time.

Advances are stated at net of write off and gross of provisions for non- performing assets.

11. CAPITAL REDEMPTION RESERVE

As per Section 80(1) (d) of Companies Act, 1956, no capital redemption reserve is to be created for such shares which are redeemed out of the proceeds for a fresh issue and hence no reserve is created.

12. EARNING PER SHARE

The Company reports basic and diluted earnings per equity share in accordance with (AS) 20, Earnings per share notified under the Companies (Accounting Standard) Rules, 2006 (as amended). Basic earnings per equity share have been computed by dividing net income by the weighted average number of equity Shares outstanding for the period. Diluted earnings per equity shares have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

13. LEASES

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets, are classified as operating leases. All other leases are classified as financial leases.

Where the Company is the Lessor:

Assets given on operating leases are included in fixed assets. Lease income is recognised in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Profit and Loss Account.

Where the Company is the lessee:

Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term. Company does not have any financial leases.

14. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

Provisions are recognized only when the company has present or legal or constructive obligations as a result of past events, for which it is probable that an outflow of economic benefit will be required to settle the transaction and a reliable estimate can be made for the amount of the obligation. Contingent liability is disclosed for (i) possible obligations which will be confirmed only by future events not wholly within the control of the company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

SUMMARY AND COMPARISON OF SIGNIFICANT ITEMS OF INCOME AND EXPENDITURE OF THE COMPANY

The following table sets forth selected financial data from our restated profit and loss accounts for financial years ended March 31, 2012, 2011 and 2010 and for the nine months period ended December 31, 2012:

| Particulars | Amount in Rs. Lacs | | | | | | |
|--|-------------------------------------|-----------------------|---------------|-----------------------|---------------|-----------------------|---------------|
| | Nine Months Period Ended 31.12.2012 | Year Ended 31.03.2012 | | Year Ended 31.03.2011 | | Year Ended 31.03.2010 | |
| | Amount | Amount | Percent | Amount | Percent | Amount | Percent |
| Revenue from Operations | 101.49 | 128.51 | 99.07 | 112.34 | 92.51 | 106.98 | 96.72 |
| Other Income | 2.41 | 1.20 | 0.93 | 9.09 | 7.49 | 3.63 | 3.28 |
| Total Revenue | 103.90 | 129.71 | 100.00 | 121.43 | 100.00 | 110.61 | 100.00 |
| Employee Benefits Expenses | 11.84 | 16.25 | 12.53 | 13.83 | 11.39 | 11.91 | 10.77 |
| Finance Cost | 50.26 | 63.19 | 48.72 | 65.53 | 53.97 | 62.51 | 56.51 |
| Other expenses | 16.65 | 28.24 | 21.77 | 34.36 | 28.30 | 20.95 | 18.94 |
| Depreciation and amortization expenses | 4.52 | 4.25 | 3.28 | 2.92 | 2.40 | 3.67 | 3.32 |
| Total | 83.26 | 111.92 | 86.29 | 116.64 | 96.06 | 99.05 | 89.54 |
| Profit before Tax | 20.64 | 17.79 | 13.71 | 4.79 | 3.94 | 11.57 | 10.46 |
| Tax Expenses/ (Income) | | | | | | | |
| Current Tax | 5.63 | 7.13 | 5.50 | 2.79 | 2.30 | 2.11 | 1.90 |
| Deferred tax charge /(credit) | 0.65 | (0.41) | (0.31) | (0.24) | (0.20) | (0.36) | (0.32) |
| Profit for the period | 14.36 | 11.06 | 8.53 | 2.24 | 1.84 | 9.82 | 8.88 |

PRINCIPAL COMPONENTS OF OUR PROFIT AND LOSS ACCOUNT

Revenue

Our total income comprises of Interest Income. Interest Income comprises interest received from assets finance and other loans.

Expenditure

Our Expenditure comprises of Employee Benefits Expenses, Finance Cost, Depreciation and amortization expenses and other expenses.

- Employee Benefits Expenses include Salaries, Director's Remuneration and Staff Welfare Expenses.
- Finance Cost principally includes interest and other fees charged by banks, interest on deposits and interest on inter corporate deposits.
- Depreciation and amortization expenses depreciation on Fixed Assets.
- Other Expenses include Administrative expenses such as Professional Fees, Electricity Charges, Rent Paid, Telephone Expenses, Postage & Telegram Expenses, Travelling Expenses, Auditor's Remuneration etc.

Taxation

Income Tax expenses comprises of current tax and deferred tax (asset or liability). Current tax is the amount of tax payable on the taxable income for the year and determined in accordance with the provisions of the Income Tax Act 1961. Deferred tax is recognized, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

The company has no foreign customers.

Money Masters Leasing and Finance Limited has not followed any unorthodox procedure for recording sales and revenues.

Nine months Ended December 31, 2012

1) Total Revenue

Total Income was Rs. 103.90 Lacs.

2) Total Expenditure

Total Expenses was Rs. 83.26 Lacs. Total expenses stood at 80.14% of the total revenue.

3) Revenue from operations

The Revenue from Operations stood at Rs. 101.49 Lacs. It amounts to 97.68% of the total revenue.

4) Other income

The other income stood at Rs. 2.41 Lacs. It amounts to 2.32% of the total revenue.

5) Employee Benefit Expenses

The Staff Cost stood at Rs. 11.84 Lacs. It amounts to 11.40% of the total revenue.

6) Finance Cost

The finance cost stood at Rs. 50.26 Lacs. It amounts to 48.37% of the total revenue.

7) Other Expenses

The other expenses stood at Rs. 16.65 Lacs. It amounts to 16.03% of the total revenue.

8) Profits Before Tax

The Profit before tax stood at Rs. 20.64 Lacs. It amounts to 19.87% of the total revenue.

9) Profits After Tax

The profits after tax stood at Rs. 14.36 Lacs. It amounts to 13.82% of the total income.

Comparison of Fiscal 2012 to Fiscal 2011

1) Total Revenue

Total Income increased by 6.82% in fiscal 2012 to Rs. 129.71 Lacs from Rs. 121.43 Lacs over the same period in the previous year.

2) Total Expenditure

Total Expenses during fiscal 2012 decreased by 4.04% over fiscal 2011 i.e. decrease from Rs. 116.64 Lacs in fiscal 2011 to Rs. 111.92 Lacs in fiscal 2012. Total expenses in fiscal 2012 stood at 86.29% of the total income as compared to 96.06% in fiscal 2011.

3) Revenue from operations

Revenue as a percentage of total income, has increased from 92.51% in fiscal 2011 to 99.07% in fiscal 2012. In absolute terms it has increased by 14.39% from Rs. 112.34 Lacs in fiscal 2011 to Rs. 128.51 Lacs in fiscal 2012.

4) Other income

Other income as a percentage of total income, has decreased from 7.49% in fiscal 2011 to 0.93% in fiscal 2012. In absolute terms it has decreased by 86.77% from Rs. 9.09 Lacs in fiscal 2011 to Rs. 1.20 Lacs in fiscal 2012.

5) Employee Benefit Expenses

Employee Benefit Expenses as a percentage of total income, has increased from 11.39% in fiscal 2011 to 12.53% in fiscal 2012. In absolute terms it has increased by 17.44% from Rs. 13.83 Lacs in fiscal 2011 to Rs. 16.25 Lacs in fiscal 2012.

6) Finance Cost

Finance cost as a percentage of total income, have decreased from 53.97% in fiscal 2011 to 48.72% in fiscal 2012. In absolute terms it has decreased by 3.57% from Rs. 65.53 Lacs in fiscal 2011 to Rs. 63.19 Lacs in fiscal 2012.

7) Other Expenses

Other expenses as a percentage of total income, have decreased from 28.30% in fiscal 2011 to 21.77% in fiscal 2012. In absolute terms it has decreased by 17.82% from Rs. 34.36 Lacs in fiscal 2011 to Rs. 28.24 Lacs in fiscal 2012.

8) Profits Before Tax

Profits before tax as a percentage of total income, have increased from 3.94% in fiscal 2011 to 13.71% in fiscal 2012. In absolute terms it has increased by 271.57% from Rs. 4.79 Lacs in fiscal 2011 to Rs. 17.79 Lacs in fiscal 2012.

9) Profits After Tax

Profits after tax as a percentage of total income, have increased from 1.84% in fiscal 2011 to 8.53% in fiscal 2012. In absolute terms it has increased by 394.10% from Rs. 2.24 Lacs in fiscal 2011 to Rs. 11.06 Lacs in fiscal 2012.

Comparison of Fiscal 2011 to Fiscal 2010

1) Total Revenue

Total Income increased by 9.78% in fiscal 2011 from Rs. 110.61 Lacs to Rs. 121.43 Lacs over the same period in the previous year.

2) Total Expenditure

Total Expenses during fiscal 2011 increased by 17.76% over fiscal 2010 i.e. increase from Rs. 99.05 Lacs in fiscal 2010 to Rs. 116.64 Lacs in fiscal 2011. Total expenses in fiscal 2010 stood at 89.54% of the total income as compared to 96.06% in fiscal 2011.

3) Revenue from operations

Revenue as a percentage of total income, has decreased from 96.72% in fiscal 2010 to 92.51% in fiscal 2011. In absolute terms it has increased by 5.00% from Rs. 106.98 Lacs in fiscal 2010 to Rs. 112.34 Lacs in fiscal 2011.

4) Other income

Other income as a percentage of total income, has increased from 3.28% in fiscal 2010 to 7.49% in fiscal 2011. In absolute terms it has increased by 150.47% from Rs. 3.63 Lacs in fiscal 2010 to Rs. 9.09 Lacs in fiscal 2011.

5) Employee Benefit Expenses

Employee Benefit Expenses as a percentage of total income, has increased from 10.77% in fiscal 2010 to 11.39% in fiscal 2011. In absolute terms it has increased by 16.13% from Rs. 11.91 Lacs in fiscal 2010 to Rs. 13.83 Lacs in fiscal 2011.

6) Finance Cost

Finance cost as a percentage of total income, have decreased from 56.51% in fiscal 2010 to 53.97% in fiscal 2011. In absolute terms it has increased by 4.83% from Rs. 62.51 Lacs in fiscal 2010 to Rs. 65.53 Lacs in fiscal 2011.

7) Other Expenses

Other expenses as a percentage of total income, have increased from 18.94% in fiscal 2010 to 28.30% in fiscal 2011. In absolute terms it has increased by 63.99% from Rs. 20.95 Lacs in fiscal 2010 to Rs. 34.36 Lacs in fiscal 2011.

8) Profits Before Tax

Profits before tax as a percentage of total income, have decreased from 10.46% in fiscal 2010 to 3.94% in fiscal 2011. In absolute terms it has decreased by 58.62% from Rs. 11.57 Lacs in fiscal 2010 to Rs. 4.79 Lacs in fiscal 2011.

9) Profits After Tax

Profits after tax as a percentage of total income, have decreased from 8.88% in fiscal 2010 to 1.84% in fiscal 2011. In absolute terms it has decreased by 77.19% from Rs. 9.82 Lacs in fiscal 2010 to Rs. 2.24 Lacs in fiscal 2011.

Discussion of other aspects as mandated by SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

- (a) **Unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.**
There have been no such events.
- (b) **Significant economic changes that materially affected or are likely to affect income from continuing operations;**
There have been no significant economic changes in the industry in the recent past, which are likely to affect income from continuing operations.
- (c) **Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations;**
Apart from the risks as disclosed under Section "Risk Factors" beginning on page x of this Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.
- (d) **Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known;**
Other than as described in the chapter titled "Risk Factors" on page x of this Draft Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.
- (e) **Details of the extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices;**
Increases in revenues are by and large linked to increases in volume of business.

- (f) **Details of the total turnover of each major industry segment in which the issuer operated;**
Presently Money Masters Leasing & Finance Limited operates in only one industry segment. For details of the turnover, kindly refer to page 111.
- (g) **Details of status of any publicly announced new products or business segment;**
Our Company has not publicly announced any new products or business segments.
- (h) **Details of the extent to which business is seasonal;**
Our Company's business is not seasonal.
- (i) **Details of significant dependence on a single or few suppliers or customers;**
Our business is not dependent on a single or few customers.
- (j) **Competitive conditions.**
The Company faces competition from small cooperative Banks and credit societies.

We face competition from small cooperative Banks and credit societies and if we are unable to compete vigorously and effectively in the our business, or if we are unwilling or unable to commit additional resources in order to compete effectively, business and its results of operations could be adversely affected.

SECTION VII- LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

(1) Outstanding litigations involving the issuer:

- (A) Litigations against the issuer or against any other company whose outcome could have a materially adverse effect of the position of the issuer.

While there are no litigations against the Issuer, however, the Reserve Bank of India, had in terms of Section 45-MB(1) and 45-MB(2) passed a Prohibitory Order dated December 15, 2011 against Money Masters Leasing and Finance Limited. In terms of the said order, MMLFL has been prohibited from accepting fresh public deposits or renewing existing deposits with effect from the date of the said order. Since the date of the order MMLFL has not accepted any fresh public deposits and renewed any of the existing deposits.

Further, MMLFL had also been prohibited from selling, transferring, creating charge or mortgage or dealing in any manner with its property and assets without prior written permission of the RBI for a period of 6 months from the date of the order. However this particular prohibition was vacated vide RBI Letter No. DNBS.MRO.No. 2992/02.13.057/2011-12 dated January 30, 2012.

- (B) Litigations against the Directors involving violation of statutory regulations.
Nil
- (C) Litigations against the Directors alleging criminal offence.
Nil
- (D) Any criminal prosecution against the Directors for any litigation towards tax liabilities.
Nil
- (E) Any civil prosecution against the Directors for any litigation towards tax liabilities.
Nil
- (F) Pending proceedings initiated for economic offences against the issuer.
Nil
- (G) Pending proceedings initiated for economic offences against the Directors.
Nil
- (H) Adverse findings, if any, in respect of the issuer as regards compliance with the securities laws.
Nil
- (I) The details of the past cases in which penalties were imposed by the authorities concerned on the issuer.
Nil
- (J) The details of the past cases in which penalties were imposed by the authorities concerned on the Directors.
Nil
- (K) Outstanding litigations, defaults, etc. pertaining to matters likely to affect operations and finances of the issuer, including disputed tax liabilities, prosecution under any enactment in respect of Schedule XIII to the Companies Act, 1956 (1 of 1956) etc.
Nil
- (L) The information regarding pending litigations, defaults, non payment of statutory dues, proceedings initiated for economic offences or civil offences (including the past cases, if found guilty), any disciplinary action taken by the SEBI or Stock Exchanges against the issuer.
Nil

- (M) The information regarding pending litigations, defaults, non payment of statutory dues, proceedings initiated for economic offences or civil offences (including the past cases, if found guilty), any disciplinary action taken by the SEBI or Stock Exchanges against the Directors.

Nil

- (N) Other litigations against the issuer.

Nil

- (O) The name(s) of the small scale undertaking(s) or any other creditors to whom the issuer owes a sum exceeding Rs. one lakh which is outstanding more than thirty days.

Nil

- (P) Outstanding litigations, defaults, etc. pertaining to matters likely to affect operations and finances of the subsidiaries of the issuer, including disputed tax liabilities, prosecution under any enactment in respect of Schedule XIII to the Companies Act, 1956 (1 of 1956) etc.

Nil

(2) Outstanding litigations involving the promoter:

- (A) All pending litigations in which the promoters are involved

Nil

- (B) List of all defaults to the financial institutions or banks by Promoters

Nil

- (C) List of all non-payment of statutory dues by Promoters

Nil

- (D) List of all dues towards instrument holders such as debt instrument holders, fixed deposits and arrears on cumulative preference shares by Promoters

Nil

- (E) List of proceedings initiated for economic offences or civil offences (including the past cases, if found guilty) by Promoters

Nil

- (F) List of all disciplinary action taken by the SEBI or recognised stock exchanges against the promoters and group companies

Nil

- (G) List of cases of pending litigations, defaults, etc. in respect of group companies with which the promoters were associated in the past but are no longer associated, in case their name(s) continue to be associated with the particular litigation(s).

Nil

- (H) All the litigations against the Promoter involving violation of statutory regulations.

Nil

- (I) All the litigations against the promoter alleging criminal offence.

Nil

- (J) List of Pending proceedings initiated for economic offences against the promoters.

Nil

- (K) List of adverse findings, if any, in respect of the persons/entities connected with the issuer/promoter as regards compliance with the securities laws.

Nil

- (L) Details of the past cases in which penalties were imposed by the concerned authorities.

Nil

(3) Material developments since the last balance sheet date.

In the opinion of the Board of Directors of the Company, there have not arisen any circumstances since December 31, 2012 which materially and adversely affect, or are likely to materially and adversely affect, the Company's business or the profitability of the Company, or the value of the assets, or the Company's ability to pay its liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

The Company has received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for its present business and except as mentioned below, no further approvals are required for carrying on the Company's present business.

In view of the approvals listed below, the Company can undertake this Issue and its current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue its business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus.

Approvals for the Issue

1. The Board of Directors have, pursuant to resolutions passed at its meeting held on October 25, 2012 authorised the Issue, subject to the approval by the shareholders of the Company under Section 81(1A) of the Companies Act.
2. The shareholders have, pursuant to a resolution dated November 20, 2012 under Section 81(1A) of the Companies Act, authorised the Issue.
3. The Company has obtained approval from BSE vide its letter dated [•] to use the name of BSE in this Offer document for listing of equity shares on SME Platform of BSE. BSE is the Designated Stock Exchange.

Incorporation Details

1. Certificate of Incorporation dated October 26, 1994 issued by the Registrar of Companies, Maharashtra, to Money Masters Leasing & Finance Private Limited.
2. Fresh Certificate of Incorporation dated February 09, 1996 issued by the Registrar of Companies, Maharashtra pursuant to change of name of the Company to Money Masters Leasing & Finance Limited.

Government and other approvals:

General approvals:

| S.No | Name of Registration | Name of Issuing Authority/Department | Licence/ Registration No. | Validity |
|------|---|--|--|-----------------------|
| 1. | RBI Registration Certificate | General Manager, RBI, DNBS, MRO, Mumbai | 13.00931 dated 31.07.1998 reissued on September 04, 2007 | Permanent |
| 2. | Permanent Account Number (PAN) | Income Tax Department, Government of India | AACCM6423A | Permanent |
| 3. | TDS Account Number (TAN) | National Securities Depository Limited, Mumbai | MUMM09762E | Permanent |
| 4. | Corporate Identification Number: | Registrar of Companies, Maharashtra | U65990MH1994PLC082399 | Permanent |
| 5. | Trade Mark Registry Number | Registrar of Trade Marks | Application no.- 872003 Certificate No.- 526049 | Valid upto 18.08.2019 |
| 6. | Registration under Bombay Shops and Establishment Act, 1948 | Inspector under the Bombay Shops and Establishment Act, 1948 | HW003356/Commercial II | Valid upto 31.12.2013 |
| 7. | Registration under The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 | Department of Sales Tax, Govt. of Maharashtra | 99260381670P | Permanent |

Besides the above there are no pending approvals to be applied for by the Company as far as the present business is concerned.

IT MUST, HOWEVER BE, DISTINCTLY UNDERSTOOD THAT IN GRANTING THE ABOVE-MENTIONED APPROVALS, THE CENTRAL GOVERNMENT, STATE GOVERNMENT, RBI AND OTHER AUTHORITIES DO NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS.

SECTION VIII- OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Present Issue

Corporate Approvals

1. Our Board has, pursuant to its resolution dated October 25, 2012, authorised this Fresh Issue, subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act.
2. The shareholders of our Company have authorised this Fresh Issue by their special resolution passed pursuant to Section 81(1A) of the Companies Act, at its EGM held on November 20, 2012 and authorised the Board to take decisions in relation to this Issue.
3. The Company has obtained approval from BSE vide its letter dated [•] to use the name of BSE in this Offer document for listing of equity shares on SME Platform of BSE. BSE is the Designated Stock Exchange.
4. Further, our Board has approved the Draft Prospectus through its resolution dated June 06, 2013.

Prohibition by SEBI

The Company, Promoters, Directors and Promoter Group entities, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

The companies, with which any of the Promoters, Directors or persons in control of our Company are or were associated as promoters, directors or persons in control, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

None of the Directors are associated with any entities, which are engaged in securities market related business and are registered with SEBI for the same.

Prohibition by RBI

The Reserve Bank of India, had in terms of Section 45-MB(1) and 45-MB(2) passed a Prohibitory Order dated December 15, 2011 against Money Masters Leasing and Finance Limited. In terms of the said order, MMLFL has been prohibited from accepting fresh public deposits or renewing existing public deposits with effect from the date of the said order. Since the date of the order MMLFL has not accepted any fresh deposits and renewed any of the existing deposits.

Further, MMLFL had also been prohibited from selling, transferring, creating charge or mortgage or dealing in any manner with its property and assets without prior written permission of the RBI for a period of 6 months from the date of the order. However this particular prohibition has been vacated vide RBI Letter No. DNBS.MRO.No. 2992/02.13.057/2011-12 dated January 30, 2012.

Further, the Promoters, Directors and Promoter Group entities have not been declared as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by the Promoter in the past or are pending against them.

Eligibility for the Issue:

Our Company is eligible for the Issue in accordance with Regulation 106M(1) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, 2009 as the post issue face value capital does not exceed 10 crore rupees.

We confirm that:

1. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, 2009, this Issue has been hundred percent underwritten and the Lead Manager will underwrite more than 15% of the Total Issue Size. For further details pertaining to said underwriting see chapter titled "General Information" on page 8.

2. In accordance with Regulation 106(O) of the SEBI (ICDR) Regulations, 2009, our Company has not filed any Draft Prospectus with SEBI nor has SEBI issued any observations on our Draft Prospectus. Also, we shall ensure that the Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required by SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.

3. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, 2009, we hereby confirm that have entered into an agreement with the Lead Manager and a Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares on the SME Platform of BSE. For further details of the market making arrangement see chapter titled "General Information" on page 8.

Further, we undertake that the number of Allottees in the Issue shall be atleast 50, otherwise the entire application money shall be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% p.a. for the period of delay.

Disclaimer Clause of SEBI

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, SOBHAGYA CAPITAL OPTIONS LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, SOBHAGYA CAPITAL OPTIONS LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [•] WHICH READS AS FOLLOWS:

WE, THE LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE.

2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:

(A) THE PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITIES IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(C) THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN

THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID. COMPLIED WITH AND NOTED FOR COMPLIANCE

4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. NOTED FOR COMPLIANCE

5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.

6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.

7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. NOT APPLICABLE.

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. NOTED FOR COMPLIANCE.

10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.

11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:

(A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND

(B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.

14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.

15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY THE BOARD THROUGH CIRCULAR.

17. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.

18. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.

19. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009.

20. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.

21. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISOR TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS. NOT APPLICABLE.

21. WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.

22. WE CONFIRM THAT THE ISSUER HAS REDRESSED AT LEAST NINETY FIVE PER CENT. OF THE COMPLAINTS RECEIVED FROM THE INVESTORS TILL THE END OF THE QUARTER IMMEDIATELY PRECEDING THE MONTH OF THE FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES OR LETTER OF OFFER WITH SME EXCHANGE. NOT APPLICABLE.

The filing of this Draft Prospectus does not, however, absolve the Company 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 Issue. SEBI further reserves the right to take up at any point of time, with the Lead Managers, any irregularities or lapses in this Draft Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Draft Prospectus with the Registrar of Companies, Maharashtra, Mumbai in terms of Section 60B of the Companies Act.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Maharashtra, Mumbai in terms of Sections 56, 60 and 60B of the Companies Act.

Caution - Disclaimer from the Company and the Lead Managers

The Company, the Directors and the Lead Managers accept no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at the Company's instance and anyone placing reliance on any other source of information, including the Company's web site <http://moneymasters.in/>, would be doing so at his or her own risk.

The Lead Managers accept no responsibility, save to the limited extent as provided in the MoU entered into between the Lead Managers and the Company and the Underwriting Agreement to be entered into between the Underwriter and the Company.

All information shall be made available by the Company and the Lead Managers to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, or elsewhere.

Investors that apply in the Issue will be required to confirm and will be deemed to have represented to the Company, the Underwriter 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 the Company and will not Issue, sell, pledge, or transfer the Equity Shares of the Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company. The Company, the Underwriter and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of the Company.

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds) and to FIIs, eligible NRIs and other eligible foreign investors (viz. FVCIs, multilateral and bilateral development financial institutions). This Draft 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 Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Prospectus has been submitted to the Stock Exchange. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

DISCLAIMER CLAUSE OF BSE LIMITED (BSE) (Designated Stock Exchange)

BSE Limited ("The Exchange") has given, vide its letter dated [●], permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed on the SME Platform. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:-

- i. Warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. Warrant that this company's securities will be listed or will continue to be listed on the Exchange; or
- iii. Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange 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.

Filing

Copy of Draft Prospectus has not been filed with SEBI, nor will SEBI issue any observation on the offer document in term of Regulation 106(M)(3) and 106(O) of SEBI (ICDR) Regulations, 2009. However, a copy of the Prospectus will be filed with SEBI at Corporation Finance Department, Plot No.C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051. A copy of the Prospectus, along with the documents required to be filed under Sections 60 and 60B of the Companies Act, would be delivered for registration to the ROC at the Office of the Registrar of Companies, Maharashtra, Mumbai, located at 100, Everest, Marine Drive, Mumbai- 400002.

Listing

The Company has obtained approval from BSE vide letter dated [●] to use the name of BSE in this offer document for listing of equity shares on SME Platform of BSE.

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, there is no requirement of obtaining In-Principle approval of the SME Platform of BSE. However, application shall be made to SME Platform of BSE for obtaining permission for listing of the Equity Shares being offered and sold in the Issue on its SME Platform after the allotment in the Issue. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

In case the permission for listing of the Equity Shares is not granted by the above mentioned Stock Exchange, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Draft Prospectus. If such money is not repaid within 8 days after the day from which the Issuer becomes liable to repay it, our Company and every director of our Company who is an officer in default shall, on and from expiry of 8 days, be jointly and severally liable to repay that money with interest, at 15% per annum on the application monies as prescribed under Section 73 of the Companies Act.

Our Company with the assistance of the Lead Manager shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges mentioned above are taken within twelve Working Days of Issue Closing Date.

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the auditors, the legal advisors, the Bankers to the Company; and (b) the Lead Manager, the Bankers to the Issue and the Registrar to the Issue to act in their respective capacities, have been obtained and would be filed along with a copy of the Prospectus with the ROC 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 the Draft Prospectus for registration with the ROC.

In accordance with the Companies Act, 1956 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009, M/s. B. Rattan & Associates, Chartered Accountants, have given their written consent to the inclusion of their financial report in the form and context in which it appears in the Draft Prospectus and such consent and report has not been withdrawn up to the time of delivery of the Draft Prospectus for registration with the ROC.

Expert Opinion

Except for the Statement of Tax Benefits dated May 18, 2013 by M/s Sushil Lal & Associates, Chartered Accountants and the Auditors' Report dated January 20, 2013, by Independent Peer Review Certified Auditor M/s B. Rattan & Associates, the Company has not obtained any expert opinions.

Issue Related Expenses

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated expenses of the Issue are as follows:

| Activity | Expense (in Rs. Lacs)* | Percentage of Issue Expenses* | Percentage of the Issue size* |
|---|------------------------|-------------------------------|-------------------------------|
| Payment to Merchant Banker, market making fees, selling commissions, Underwriting, SCSB commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars, Bankers, etc. and other out of pocket expenses | 35.00 | 77.78 | 17.47 |
| Advertisement and Marketing expenses | 4.00 | 8.89 | 2.00 |
| Printing and Stationery (including courier and transportation charges) | 4.00 | 4.44 | 2.00 |
| Others (Processing fees, listing fee, Corporate Action charges etc) | 2.00 | 4.44 | 1.00 |
| Total Estimated Issue expenses | 45.00 | | 22.47 |

The listing fee and all expenses with respect to the Issue will be borne by the Company.

Fees Payable to the Lead Manager

The total fees payable to the Lead Manager and (including underwriting commission and selling commission) will be as stated in the Memorandum of Understanding between the Company and the Lead Managers, a copy of which is available for inspection at the registered office of the Company.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding signed between the Company and the Registrar to the Issue, a copy of which is available for inspection at the registered office of the Company.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

Particulars regarding Public or Rights Issues during the Last Five Years

The Company has not made any public or rights issues during the last five years.

Previous issues of Equity Shares otherwise than for cash

The Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage paid on Previous Issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since the Company's inception.

Previous capital issue during the previous three years by listed group companies, subsidiaries and associates of the Company

The Company does not have any group companies.

Promise vis-a-vis objects – Public/ Rights Issue of the Company and/ or listed group companies, subsidiaries and associates of the Company

Not Applicable.

Outstanding Debentures or Bonds

The Company does not have any outstanding debentures or bonds as of the date of filing this Draft Prospectus.

Outstanding Preference Shares

The Company does not have any outstanding preference shares other than those mentioned in the section entitled "Capital Structure of the Company" beginning on page 14 in this Draft Prospectus.

Stock Market Data of the Equity Shares

This being an initial public issue of the Company, the Equity Shares are not listed on any stock exchange.

Disclosure on Investor Grievances and Redressal System

The Agreement between the Registrar to the Issue and our Company entered on November 15, 2012 provides for retention of records with the Registrar to this Issue for a period of at least three years from the last date of dispatch of the letters of allotment, demat credit and making refunds as per the modes disclosed to enable the investors to approach the Registrar to this Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the ASBA Application Form was submitted by the ASBA Applicants.

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be ten working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible. Our Company has also constituted an Shareholders'/Investors' Grievance Committee to review and redress the shareholders' and investors' grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer, transmission and issue of duplicate shares.

The Company has appointed Ms. Minakshi Muchhal as the Compliance Officer for this Issue and she may be contacted in case of any pre-issue or post-issue-related problems. She can be contacted at the following address:

Ms. Minakshi Muchhal

Money Masters Leasing & Finance Limited

4, Akash Deep, Ground Floor, TPS VI, Road No. 1, Milan Subway, Santacruz (West), Mumbai-400054

Tel.: 022- 26103848, 26180202; Fax: 022- 26103848, 26180202

Email: ipo.moneymasters@gmail.com

Website: <http://moneymasters.in/>

Changes in Auditors

There has been no change in the Statutory Auditors of the Company in the last 3 years.

Capitalisation of Reserves or Profits

Except as disclosed in this Draft Prospectus, the Company has not capitalised its reserves or profits at any time during the last five years.

Revaluation of Assets

The Company has not revalued its assets in the last five years.

SECTION IX- ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of the Draft Prospectus, Application Form, and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

RANKING OF EQUITY SHARES

The Equity Shares being offered shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to the section titled "Main Provisions of the Articles of Association" on page 148 of this Draft Prospectus.

MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of the Companies Act and as recommended by the Board of Directors and the shareholders at their discretion. It will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. Dividends, whenever declared, will be paid in cash as per provisions of the Companies Act, 1956. For further details, please refer to the section titled "Dividend Policy" on page 77 of this Draft Prospectus.

FACE VALUE AND ISSUE PRICE

The Equity Shares having a Face Value of Rs. 10/- each are being offered in terms of this Draft Prospectus at the price of Rs. 15/- per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled "Basis of Issue Price" on page 33 of this Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

COMPLIANCE WITH SEBI REGULATIONS

The Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive annual reports and notices to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, 1956 and the Memorandum and Articles of Association of the Company.

For a detailed description of the main provisions of the Articles relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled "Main Provisions of the Articles of Association" on page 148 of this Draft Prospectus.

MINIMUM APPLICATION VALUE; MARKET LOT AND TRADING LOT

As per the provisions of the Depositories Act, 1996, the shares of a body corporate can be in dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode.

The investors have an option either to receive the security certificate or to hold the securities with depository.

The trading of the Equity Shares will happen in the minimum contract size of 8000 Equity Shares and the same may be modified by BSE from time to time by giving prior notice to investors at large. As per the SEBI (ICDR) Regulations, 2009, the trading of the Equity Shares shall only be in dematerialised form for all investors.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of 8000 Equity Share subject to a minimum allotment of 8000 Equity Shares to the successful applicants.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, Maharashtra, India.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

NOMINATION FACILITY TO INVESTOR

In accordance with Section 109A of the Companies Act, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, 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 of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 109B of the Companies Act, any Person who becomes a nominee by virtue of 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 ninety 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.

In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level.

This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there

is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies Act, 1956.

ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

The trading of the Equity Shares will happen in the minimum contract size of 8000 shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.

AUTHORITY FOR THE PRESENT ISSUE

The Issue has been authorized by a resolution of the Board passed at their meeting held on October 25, 2012 subject to the approval of shareholders through a special resolution to be passed pursuant to section 81 (1A) of the Companies Act. The shareholders have authorized the Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, passed at the Extra-Ordinary General Meeting of the Company held on November 20, 2012.

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles, the terms of this Draft Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note ("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 Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, SME platform of BSE, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

MINIMUM NUMBER OF ALLOTTEES

The minimum number of Allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective Allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 15 days of closure of Issue.

JOINT HOLDERS

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

RESTRICTIONS, IF ANY, ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation / splitting, please refer to the section titled "Main Provisions of the Articles of Association" on Page 148 of this Draft Prospectus.

OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM

The investors have an option either to receive the security certificate or to hold the securities with depository.

MIGRATION TO MAIN BOARD

Our Company may migrate to the main board of BSE from SME platform of BSE on a later date subject to the following:

a) If the Paid up Capital of the company is more than Rs. 10 crores but below Rs. 25 crores, we may apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

OR

b) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than Promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our

shares on its main board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the main board.

Note: BSE Limited vide its notice no. 20121126-17, dated November 26, 2012 has made amendment in 'Eligibility Criteria for Migration from BSE SME Platform to the Main Board'. Accordingly, the companies now have to be mandatorily listed and traded on the SME Platform for a minimum period of two years and only after that they can migrate on to the Main Board as per the guidelines specified by SEBI.

MARKET MAKING

The shares offered though this Issue are proposed to be listed on the SME Platform of BSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME platform for a minimum period of three years from the date of listing of shares offered through this Draft Prospectus. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to "General Information – Market Maker" on page 11 of this Draft Prospectus.

NEW FINANCIAL INSTRUMENTS

The Issuer Company is not issuing any new financial instruments through this Issue.

WITHDRAWAL OF THE ISSUE

The Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

- (i) The final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment; and
- (ii) The final ROC approval of the Prospectus after it is filed with the ROC.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

ISSUE OPENING DATE [•]
ISSUE CLOSING DATE [•]

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Application by Eligible NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI

As per the extant policy of the Government of India, OCBs cannot participate in this Issue.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, there exists a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors. It is to be distinctly understood that there is no reservation for NRIs, FIIs or FCVIs registered with SEBI, applicants will be treated on the same basis with other categories for the purpose of allocation.

The allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

The above information is given for the benefit of the applicants. The applicants are advised to make their own enquiries about the limits applicable to them. The Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. The Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

Restriction on transfer of shares

Except for lock-in of the pre-Issue Equity Shares and Promoters' minimum contribution in the Issue as detailed in the section entitled "Capital Structure of the Company" on page 14 of this Draft Prospectus, and except as provided in the Articles, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfers of debentures except as provided in the Articles. There are no restrictions on transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles.

Please see the section entitled "Main Provisions of the Articles of Association" on page 148 of this Draft Prospectus.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(1) of Chapter X-B of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, An issuer whose post-issue face value capital does not exceed ten crores rupees shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an Issue please refer the section titled "Terms of the Issue" and "Issue Procedure" on page 125 and 132 of this Draft Prospectus.

Following is the Issue structure:

Public Issue of 13,36,000 Equity Shares of Rs. 10/- each at Rs. 15/- (including share premium of Rs. 05/-) per Equity Share aggregating to 2,00,40,000/- (Rupees Two Crore and Forty Thousand Only) by Money Masters Leasing & Finance Limited.

The Issue comprises reservation of 80,000 Equity Shares for subscription by the designated Market Maker ("the Market Maker Reservation Portion") and Net Issue to Public of 12,56,000 Equity Shares ("the Net Issue").

| Particulars of the Issue | Net Issue to Public | Market Maker Reservation Portion |
|--------------------------|---|----------------------------------|
| Number of Equity Shares | 12,56,000 Equity Shares | 80,000 Equity Shares |
| Percentage of Issue Size | 94.01% of the Issue size | 5.99% of the Issue size |
| Basis of Allotment | Proportionate, subject to minimum allotment of 8000 Equity Shares and further allotment in multiples of 8000 Equity Shares each. For further details please refer to the section titled "Issue Procedure" on page 132 of this Draft Prospectus. | Firm Allotment |
| Mode of Application | For QIB and NII Applicants the application must be made compulsorily through the ASBA Process. The Retail Individual Applicant may apply through the ASBA or the Physical Form. | Through ASBA Process Only |
| Minimum Application Size | For QIB and NII: Such number of Equity Shares in multiples of 8000 Equity Shares such that the Application Value exceeds Rs. 2,00,000/- For Retail Individuals: 8,000 Equity Shares | 80,000 Equity Shares |
| Maximum Application Size | For QIB and NII: Such number of equity shares in multiples of 8,000 Equity Shares such that the Application Size does not exceed 12,56,000 Equity Shares. For Retail Individuals: Such number of Equity Shares in multiples of 8,000 Equity Shares such that the Application Value does not exceed Rs. 2,00,000/-. | 80,000 Equity Shares |

| | | |
|-------------------|--|---|
| Mode of Allotment | Dematerialized Form or Physical Form, at the option of the Applicant. | Dematerialized Form or Physical Form, at the option of the applicant. |
| Trading Lot | 8000 Equity Shares | 8000 Equity Shares. However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009. |
| Terms of Payment | The entire Application Amount will be payable at the time of submission of the Application Form. | |

Under-subscription, if any, in any category would be met with spill-over from other categories at sole discretion of the Company, in consultation with the Lead Managers.

In case the Application Form is submitted in joint names, the applicants should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Application Form.

Withdrawal of the Issue

The Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

- (i) The final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment; and
- (ii) The final ROC approval of the Prospectus after it is filed with the ROC.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

Any further issue of Equity Shares by the Company shall be in compliance with applicable laws.

Issue Programme

| | |
|------------------------|------------|
| ISSUE OPENS ON | [•] |
| ISSUE CLOSES ON | [•] |

ISSUE PROCEDURE

Fixed Price Issue Procedure

The Issue is being made under Regulation 106(M)(1) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process.

Applicants are required to submit their Applications to the Selected Branches / Offices of the Bankers to the Issue who shall duly submit to them the Registrar of the Issue. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

The Issue procedure in brief, is as follows;

- a) Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
- b) The Lead Manager will circulate copies of the Prospectus along with the Application Form to potential investors.
- c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/ or the Application Form can obtain the same from the Registered Office or from the registered office of the Lead Manager.
- d) Applicants who are interested in subscribing for the Equity Shares should approach the branches of the Banker to the Issue or collection centres to submit their Applications. Applicants should obtain the acknowledgement from the Banks/collection centres and retain with them for reference.
- e) After the Issue Closing Date, the Registrar will process the Applications and our company will approach the BSE for approval of the Basis of Allotment.
- f) On approval of the Basis of Allotment, the Registrar will process and effect the demat credits to the successful applicants and the refund for the other applicants.
- g) Our Company will complete the listing formalities and obtain the listing and trading approval so as to commence trading within 12 working days of the Issue Closing Date.

Application Form

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Prospectus. The application form shall contain space for indicating number of specified securities subscribed for in dematerialised form. Upon completing and submitting the Application Form to the Bankers to the Issue, the Applicant is deemed to have authorized our Company to make the necessary changes in the Draft Prospectus and the Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Applicant.

ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA Applicants.

Upon completing and submitting the Application Form for ASBA Applicants to the SCSB, the ASBA Applicant is deemed to have authorized our Company to make the necessary changes in the Draft Prospectus and the ASBA Application as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Applicant.

The prescribed colour of the Application Form for various categories is as follows:

| Category | Colour |
|---|--------|
| Indian Public / NRI's applying on a non-repatriation basis (ASBA and Non-ASBA) | White |
| Non-Residents including eligible NRI's, etc. applying on a repatriation basis (ASBA and Non-ASBA) | Blue |

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues with effect from May 1, 2010 all the investors can apply through ASBA process and with effect from May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

Who can apply?

1. Indian nationals resident in India who are not minors in single or joint names (not more than three);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta".
Applications by HUFs would be considered at par with those from individuals;
3. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in Equity Shares;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable laws. NRIs other than eligible NRIs are not eligible to participate in this issue;
6. Indian Financial Institutions, commercial banks (excluding foreign banks), regional rural banks, cooperative banks (subject to RBI regulations and the SEBI Regulations, as applicable);
7. Venture Capital Funds registered with SEBI;
8. State Industrial Development Corporations;
9. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorized under their constitution to hold and invest in Equity Shares;
10. Scientific and/or industrial research organizations authorized to invest in Equity Shares;
11. Insurance Companies registered with Insurance Regulatory and Development Authority;
12. Provident Funds with minimum corpus of Rs. 250 million and who are authorized under their constitution to hold and invest in Equity Shares;
13. Pension Funds with minimum corpus of Rs. 250 million and who are authorized under their constitution to hold and invest in Equity Shares;
14. Multilateral and bilateral development financial institutions; and
15. National Investment Fund.

Applications not to be made by:

- a. Minors
- b. Partnership firms or their nominations
- c. Foreign Nationals (except NRIs)
- d. Overseas Corporate Bodies
- e. FII's
- f. FVCIs
- g. Other Foreign Investors

Participation by Associates of LM

Except for the Market Making and the Underwriting Obligations, the Lead Manager shall not be allowed to subscribe to this Issue in any manner. However, associates and affiliates of the LM may subscribe to or purchase Equity Shares in the Issue, where the allocation is on a proportionate basis.

Availability of Prospectus and Application Forms

The Memorandum Form 2A containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue, Registrar to the Issue and the collection Centers of the Bankers to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE Limited i.e. www.bseindia.com.

MAXIMUM AND MINIMUM APPLICATION SIZE

a) For Retail Individual Applicants

The Application must be for a minimum of 8,000 Equity Shares and in multiples of 8,000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2,00,000.

b) For Other Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 2,00,000 and in multiples of 8,000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under

existing SEBI (ICDR) Regulations, 2009, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.

Option to Subscribe in the Issue

- a. Investors will have the option of getting the allotment of specified securities either in physical form or in dematerialized form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable laws.

Application by Indian Public including eligible NRIs applying on Non-Repatriation

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and NOT in the names of Minors, Foreign Nationals, Non Residents Indian (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, partnership firms or their nominees. In case of HUF's application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of securities exceeding the number of securities offered to the public.

Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

Applications by Eligible NRIs on Repatriation Basis

Application Forms have been made available for Eligible NRIs at our registered Office.

Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to the companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. The Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis.

Allotment of Equity Shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's.

Applications by SEBI registered Venture Capital Funds

As per the current regulations, the following restrictions are applicable for SEBI Registered Venture Capital Funds:

The SEBI (Venture Capital) Regulations, 1996 prescribe investment restrictions on venture capital funds registered with SEBI.

Accordingly, the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund. Further, Venture Capital Funds can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

The above information is given for the benefit of the Applicants. The Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

Applications by Insurance Companies

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form or the ASBA Application Form, as the case may be. Failing this, our Company in consultation with the LM, reserve the right to reject any Application without assigning any reason therefor. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

1. 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;
2. 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
3. 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).

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of this Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in this Prospectus.

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/ or bye laws must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

In case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

In case of Applications made by provident funds with minimum corpus of Rs. 25 crore (subject to applicable law) and pension funds with minimum corpus of Rs. 25 crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

The Company in its absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that the Company and the LM may deem fit.

Information for the Applicants:

- a) Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
- b) The LM will circulate copies of the Prospectus along with the Application Form to potential investors.
- c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our registered office or from the corporate office of the LM.
- d) Applicants who are interested in subscribing for the Equity Shares should approach the LM or their authorized agent(s) to register their Applications.
- e) Applications made in the Name of Minors and/or their nominees shall not be accepted.
- f) Applicants are requested to mention the application form number on the reverse of the instrument to avoid misuse of instrument submitted along with the application for shares. Applicants are advised in their own interest, to indicate the name of the bank and the savings or current a/c no in the application form. In case of refund, the refund order will indicate these details after the name of the payee. The refund order will be sent directly to the payee's address.

Instructions for Completing the Application Form

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. ASBA Application Forms should bear the stamp of the SCSB's. ASBA Application Forms, which do not bear the stamp of the SCSB, will be rejected.

Applicants residing at places where the designated branches of the Banker to the Issue are not located may submit/mail their applications at their sole risk along with Demand Draft payable at Mumbai.

Applicant's Depository Account and Bank Details

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants sole risk and neither the LM or the Registrar or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs/Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

BASIS OF ALLOTMENT

Allotment will be made in consultation with SME Platform of BSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 8,000 Equity Shares the allotment will be made as follows:
 - a) Each successful applicant shall be allotted 8,000 Equity Shares; and
 - b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 8,000 Equity Shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 8,000 Equity Shares subject to a minimum allotment of 8,000 Equity Shares.
5. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 8,000 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, upto 110% of the size of the offer specified under the Capital Structure mentioned in this Draft Prospectus.
6. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below
 - a) A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
 - b) The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and; b) other investors, including Corporate Bodies/Institutions irrespective of number of shares applied for.
 - c) The unsubscribed portion of the net offer to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/-.

Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with SME Platform of BSE.

The Executive Director/Managing Director/Relevant Authority of the SME Platform of BSE, Designated Stock Exchange in addition to Lead Merchant Banker and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

REFUNDS:

In case of Applicants receiving refunds through electronic transfer of funds, delivery of refund orders/allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund order Please note that any such delay shall be at the Applicants sole risk and neither the Company, the Registrar, Escrow Collection Bank(s) nor the LM shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Applications are liable to be rejected.

The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and

mailing of the refund order/ CANs/ allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the Applicant). In such cases, the Registrar shall use Demographic Details as given in the Application Form instead of those obtained from the depositories.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/ or commission. In case of Applicants who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Applicants so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Application Form. The Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for NRIs and they will be treated on the same basis with other categories for the purpose of allocation.

TERMS OF PAYMENT / PAYMENT INSTRUCTIONS

The entire issue price of Rs. 15 per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Company shall refund the excess amount paid on Application to the Applicants.

Payments should be made by cheque, or demand draft drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques/ bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

Cash/ Stockinvest/ Money Orders/ Postal orders will not be accepted.

A separate Cheque or Bank Draft should accompany each application form. Applicants should write the Share Application Number on the back of the Cheque /Draft. Outstation Cheques that are not payable at par will not be accepted and applications accompanied by such cheques drawn on outstation banks are liable for rejection. Money Orders / Postal Notes will not be accepted.

Each Applicant shall draw a cheque or demand draft for the amount payable on the Application and/ or on allocation/ Allotment as per the following terms:

1. The payment instruments for payment into the Public Issue Account should be drawn in favour of:
 - Indian Public including eligible NRIs applying on non-repatriation basis: "MONEY MASTERS LEASING & FINANCE LIMITED - PUBLIC ISSUE - R".
 - In case of Non-Resident Retail Applicants applying on repatriation basis: "MONEY MASTERS LEASING & FINANCE LIMITED - PUBLIC ISSUE - NR"
2. In case of Application by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Applicant applying on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.
3. Where an Applicant has been allocated a lesser number of Equity Shares than the Applicant has applied for, the excess amount, if any, paid on Application, after adjustment towards the balance amount payable by the Pay in Date on the Equity Shares allocated will be refunded to the Applicant from the Refund Account.

4. On the Designated Date and no later than 15 days from the Issue Closing Date, the Refund Banker shall also refund all amounts payable to unsuccessful Applicants and also the excess amount paid on Application, if any, after adjusting for allocation / Allotment to the Applicants.

Payment by Stock invest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Payment mechanism for ASBA Applications

All investors other than retail individual investors are required to make their application using ASBA process only.

The ASBA applicants shall specify the bank account number in the Application Form and the SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the ASBA Application or receipt of instructions from the Registrar to the Issue to unblock the Application Amount. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSB to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal of the Application by the ASBA Applicant, as the case may be.

In case of Applications by Eligible NRIs applying on repatriation basis, a NRE Account or a FCNR Account, maintained with banks authorized to deal in foreign exchange in India, should be mentioned in the Application Form for blocking of funds, along with documentary evidence in support of the remittance.

In case of Applications by Eligible NRIs applying on a non-repatriation basis, a NRE Account or a FCNR Account maintained with banks authorized to deal in foreign exchange in India or a NRO Account, should be mentioned in the Application Form for blocking of funds, along with documentary evidence in support of the remittance.

GENERAL INSTRUCTIONS

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form
- Do not apply on another Application Form after you have submitted an Application to the Bankers of the Issue.
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Selected Branches / Offices of the Banker to the Issue.
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

OTHER INSTRUCTIONS

Joint Applications in the case of Individuals

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Applications

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- a. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications
- b. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- c. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

No separate applications for demat and physical is to be made. If such applications are made, the applications for physical shares will be treated as multiple applications and rejected accordingly.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

Permanent Account Number or PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

RIGHT TO REJECT APPLICATIONS

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

Grounds for Rejections

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Application where Bank Account details are not mentioned in the space provided for the same in the Application form;
- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;

- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of The Issue;
- Applications for number of Equity Shares which are not in multiples of 8,000;
- Category not ticked;
- Multiple Applications as defined in this Draft Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications where clear funds are not available in the Public Issue Account as per the final certificate from the Banker to the Issue;
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed by the sole Applicant;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000, received after 5.00 pm on the Issue Closing Date;
- Applications by OCBs, FIIs, FVCIs and other foreign investors (except NRIs);

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub section (1) of Section 68A of the Companies Act, which is reproduced below:

"Any person who:

- a) Makes in a fictitious name, an application to a Company for acquiring or subscribing for, any shares therein, or
- b) Otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years."

Signing of Underwriting Agreement

Vide an Underwriting agreement dated [●], 2013 this issue is 100% Underwritten.

Filing of the Prospectus with the RoC

The Company will file a copy of the Prospectus with the RoC in terms of Sections 60 and 60B of the Companies Act.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, 2009, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one Marathi newspaper with wide circulation.

Designated Date and Allotment of Equity Shares

The monies credited to the Public Issue Account of our Company as aforesaid shall be held in trust until the listing and trading permission is granted by the SME Platform of BSE. After the listing and trading permission is obtained from the SME Platform of BSE, the Issue amount less expenses of the Issue shall be transferred to our Company's bank account. The excess monies in the Public Issue Account shall be refunded as provided in this Draft Prospectus.

The Company will issue and dispatch letters of allotment / CAN/ securities certificates and / or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 12 working days of the Issue Closing Date.

In case the Company issues Letters of allotment, the corresponding Security Certificates will be kept ready within three months from the date of allotment thereof or such extended time as may be approved by the Company Law Board under Section 113 of the Companies Act, 1956 or other applicable provisions, if any. Allottees are requested to preserve such Letters of Allotment, which would be exchanged later for the Security Certificates.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/Allotted to them pursuant to this Issue.

Applicants to whom refunds are made through electronic transfer of funds will be sent a letter intimating them about the mode of credit of refund within 12 working days of closure of Issue.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by us, as Refund Banker and payable at par at places where applications are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

PAYMENT OF REFUND

Applicants must note that on the basis of name of the Applicants, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Application Form, the Registrar will obtain, from the Depositories, the Applicants' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Applicants' sole risk and neither the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the LM shall be liable to compensate the Applicants for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes as given hereunder:

1. NECS (National Electronic Clearing System) - 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 specified by the RBI. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code from the Depositories.
2. Direct Credit - Applicants having bank accounts with the Refund Banker(s), as mentioned in the Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.
3. RTGS (Real Time Gross Settlement) - Applicants having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds Rs. 2.00 Lakhs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the application Form. In the event the same is not provided, refund shall be made through NECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.
4. NEFT (National Electronic Fund Transfer) - Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to

the date of payment of refund, duly mapped with MICR number. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

Mode of making refunds for ASBA Applicants

In case of ASBA Applicants, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 12 (Twelve) working days from the Issue Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, refund orders (except for Applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 working days from the Issue Closing Date. A suitable communication shall be sent to the Applicants receiving refunds through this mode within 12 working days of Issue Closing Date, giving details of the bank where refunds shall be credited along with amount.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within seven working days of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI (ICDR) Regulations, 2009, the Company further undertakes that:

1. Allotment of Equity Shares shall be made within 12 (twelve) days of the Issue Closing Date;
2. Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 (fifteen) days of the Issue Closing Date would be ensured; and
3. The Company shall pay interest at 15% p.a. for any delay beyond the 12 (twelve) days time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/ or demat credits are not made to investors within the 15 (fifteen) days time.

UNDERTAKINGS BY OUR COMPANY

The Company undertakes the following:

1. That the complaints received in respect of this Issue shall be attended to by us expeditiously;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within seven working days of finalization of the basis of Allotment;
3. That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer;
4. That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. That the certificate of the securities / refund orders to the non-resident Indians shall be dispatched within specified time; and

6. That no further issue of Equity Shares shall be made till the Equity Shares offered through this Draft Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.
7. The Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
8. Adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of allotment.

UTILIZATION OF ISSUE PROCEEDS

Our Board certifies that:

1. All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 73 of the Companies Act;
2. Details of all monies utilized out of the Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized;
3. Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested; and
4. Our Company shall comply with the requirements of Clause 52 of the SME Listing Agreement in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

WITHDRAWAL OF THE ISSUE

The Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

- (i) The final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment; and
- (ii) The final ROC approval of the Prospectus after it is filed with the ROC.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- (a) Agreement dated March 21, 2013 between NSDL, the Company and the Registrar to the Issue;
 - (b) Agreement dated January 25, 2013 between CDSL, the Company and the Registrar to the Issue;
- The Company's shares bear an ISIN No. INE340O01013.

- An Applicant applying for Equity Shares in Demat mode must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.
- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis a vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

- The trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

COMMUNICATIONS

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and cheque or draft number and issuing bank thereof and a copy of the acknowledgement slip.

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

ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the LM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

ASBA Process

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant ("ASBA Account") is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange.

Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account.

In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the LM.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

Who can apply?

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

Mode of Payment

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized

the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stockinvest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI (ICDR) Regulations, 2009, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of GoI and FEMA.

While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

Transfers of equity shares previously required the prior approval of the FIPB. However, vide a RBI circular dated October 4, 2004 issued by the RBI, the transfer of shares between an Indian resident and a nonresident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (FDI) Policy and transfer does not attract the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (ii) the non-resident shareholding is within the sectoral limits under the FDI policy, and (iii) the pricing is in accordance with the guidelines/regulations prescribed by the SEBI/RBI.

SECTION X- MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

The main provisions of the Articles of Association of the Company relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares/debentures and/or on their consolidation/splitting are detailed below:

1. No regulation contained in table A in the first schedule to the companies Act, 1956 or in the schedule to any previous companies Act, shall apply to this company, but the regulations for the management of the company and for observance of the members thereof and their representative. shall, subject to any exercise of the statutory powers of the company with reference to the repeal or alteration of or addition to its regulations by special Resolution, as prescribed by the said companies Act, 1956, be such as are contained in these Articles.

2. (a) In the interpretation of these Articles, unless repugnant to the subject or context:

"The Company or this Company" means MONEY MASTERS LEASING & FINANCE LIMITED."

"The Act" and reference to any section or provision thereof respectively means 'and includes the Companies Act, 1956 (1 of 1956) and any statutory modification or re-enactment thereof for the time being in force, and reference to the section or provisions of the said Act or such statutory modification.

"Auditors means and includes those persons appointed as such for the time being by the company.

"Board" or "Board of Directors means a meeting of the Directors duly called and constituted, or as the case may be, the Directors assembled at the Board or the Directors of the Company collectively.

"Capital" means the share capital for the time being raised or authorized to be raised, for the purposes of the company.

"Debentures" includes debentures-stock.

"Directors" means the Directors for the time being of the company or, as the case may be, the Directors assembled at a board.

"Dividend" includes bonus.

Words importing the masculine gender also include the feminine gender.

"In writing and "Written" includes printing, lithography and other modes of representing or reproducing words in a visible form.

"Member means the duly registered holder from time to time of the shares of the Company and includes the subscribers of the memorandum of Association of the Company.

"Meeting" or "General Meeting" means a meeting of members.

"Annual General Meeting" means a general meeting of the members held in accordance with the provisions of section 166 of the Act, and any adjourned holding thereof.

"Extraordinary General Meeting "means an Extraordinary General Meeting of the members duly called and constituted and any adjourned holding thereof.

"Months means a calendar month.

"Office "means the registered office for the time being of the Company.

"Paid up" includes credited as paid-up.

"Person "includes corporation and individuals.

"Register of Members" means the Register of Members to be kept pursuant to Act.

"Registrar" means the Registrar of Companies of the state in which office of the Company is for the time being situated

"Secretary" means a company secretary within the Meaning of clause (c) of sub-section 1 of section (2) of The Company Secretaries Act, 1980 and includes any individual possessing the qualification prescribed under the Act, and who is appointed to perform the duties, which may be performed by secretary under the Act, and any other ministerial or administrative duties.

"Seals" means common seal for the time being of the company.

"Share" means share in share capital of the Company and includes stocks except where distinction between stock and share is expressed or implied.

Words importing the singular number include, where the context admit or requires, the plural number and vice- versa.

"Ordinary Resolution" and "Special Resolution" shall have the meaning assigned thereto by Section 189 of the Act.

"Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2 (17) of the Act.

(b) The marginal notes used in this Article shall not affect construction thereof.

(c) Save as foresaid, any words or expression defined in the Act, shall if not with the subject or contest bear the same meaning in these Articles.

CAPITAL AND INCREASE AND REDUCTION IN CAPITAL

3. The Authorized share capital of the company shall be stated in clause v of the memorandum. The Company shall be entitled to dematerialize its existing shares, rematerialize its shares held in the Depositories and/or to offer its fresh shares in a dematerialized form pursuant to the Depositories Act, 1996 and the rules framed there under if any.
4. The company in general meeting, may from time to time, increase the capital by the creation of the new shares, such increase of aggregate amount and to be divided into shares of such respective amounts as resolution shall prescribe. subject to provisions of the Act, any share in the original or increased capital shall be issued upon such terms and conditions, and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation thereof shall prescribe and if no direction be given, as the Directors shall determine and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company and with a right of voting at General Meetings of the Company, in conformity with Sections 87 and 88 of the Act. Whenever the capital of the company has been increased under the provisions of these Articles, the Directors shall comply with the provision of section 97 of the Act.
5. Except so far as otherwise provided by the condition of issue or by these Articles, 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.
6. The Company may (subject to the provisions of Sections 78, 80, 100 to 105 inclusive, 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, capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.
7. Subject to the provisions of Section 94 of the Act, the Company in General Meeting may from time to time, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that, as between the holders of the shares resulting from such sub-division one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others. Subject as aforesaid the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of shares so cancelled. The cancellation of shares in pursuance of this Article shall not be deemed to be a reduction of the share capital.
8. Whenever the capital by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to the shares of any class may subject to the provisions of section 106 and 107 of the Act, be modified, commuted, affected or abrogated, or dealt with by agreement between the company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three- fourths in nominal value of the issued shares of the class or is confirmed by a special Resolution passed at a separate General meeting of the holders of shares of that class.

SHARES AND CERTIFICATES

9. The company shall cause to be kept a Register and index of members in accordance with sections 150 and 151 of the Act. The company shall be entitled to keep in any state or country outside India a branch Register of members resident in that state or country.
10. The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned, no shares shall be

subdivided .Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

11.
 - (a) where as at any time after the expiry of two years from the formation of the company or at any time after the expiry of one year from the allotment of shares in the company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further shares, whether out of unissued share capital or out of increased share capital then such further shares shall offer, are offered to the equity shares of the company in proportion, as nearly as circumstances admit to the capital made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person, the Board may dispose of them in such manner as they think most beneficial to the company.
 - (b) Notwithstanding anything contained in the immediately preceding clause may:
 - (i) by a special resolution; or
 - (ii) 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 favor of the proposal contained in the resolution moved in that General meeting (including the casting vote, if any, of the chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes if, any cast against the proposal by members so entitled and voting application made by the board in this behalf, that the proposal is most beneficial to the company, offer further shares to any person who need not be at the date of such offer, a holder of equity shares.
 - (c) Notwithstanding anything contained in sub-clause (a) above, but subject, however, to section 81(3) of the Act the Companies may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the company to convert such debentures or loans into shares, or to subscribe for shares, in the company.
12. Subject to the provisions of these Articles and of the Act, the shares (including any shares forming part of any capital of the company) shall be under the control of the Directors, who may issue and allot or otherwise dispose of the same to such persons in such proportion on such terms and conditions and at such time as the Directors think fit and subject to the sanction by the company in general meeting with full power, to give any person the option to call for or be allotted shares of any class of the company either (subject to the provisions of sanction 78 and 79 of the Act) at a premium or at par or at a discount and such options being exercisable for such time and for such consideration as the Directors may think fit. The Board shall cause to be filed the returns as to allotment provided for in section 75 of the Act.
13. In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 11 and 12, the company in general Meeting may, subject to the provisions of section 81 of the Act, determine that any shares (whether members or not) in such proportion on such terms and conditions and either (subject to compliance with the provisions of section 78 and 79 of the Act) at a premium or at a discount or at par, such option being exercisable at such times and for such consideration as may be directed by such General meeting or the company in general meeting or at discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the company in general meeting may make any other provisions whatsoever for the issue, allotment or disposal of any shares.
14. Any application signed by or on behalf of applicant for shares in the company, followed by an allotment of any share 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 of members shall, for the purposes of these Articles, be a member.
15. 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 insertion of the name of the 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.
16. Every member, or his heirs executors or administrations, shall pay to the company the portion of the portion of the capital represented by this share or shares, which may, for the time being, remain unpaid thereon, in such amounts, at such time, and in such manner as the Board shall, from time to time, in accordance with the company's regulation require or fix for the payment thereof.
- 17.

- (a) Every member or allottee of shares shall be entitled , without payment to receive one or more certificates in the marketable lot specifying the name of the person in whose favor it is issued , the shares to which it relates and the amount paid-up thereon. such certificate shall be issued only in pursuance of a resolution passed by the Board or a committee thereof and on surrender to the company of its letter of allotment or it the fractional coupons of requisite value, save in case of issues against letters of acceptance or of renunciation or in case of issue of bonus shares. Every such certificate shall be issued under the seal of the company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under the seal of the company, which shall be affixed in the presence of two Directors under duly registered in the power of the Board for the purposes, and two Directors or their attorneys and the secretary or other person shall sign, the share certificate, provided that if the composition of the Board permits it, as least one of than a managing or a whole-time Directors shall be a person other than a managing or a whole- time Director. Particular of every share certificate issued shall be entered in the Register of members against the name of the person/s to whom it whom it has been issued, indicating the date of issue.
 - (b) Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as single member, and the certificate of any one of such joint ownership, may delivered to any one of such joint owners on behalf of all of them for any further certificate the Board shall be entitled, but shall not be bound, to prescribe as per the provisions of section 113 of the Companies Act.
 - (c) A Director may sign a share certificate by affixing his signature thereon by means, such as engraving in metal or any machine, equipment or other mechanical means, such as engraving metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other materials used for the purpose.
- 18.
- (a) No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old decrepit, worn out, or where the ages on the reverse for recording transfers have been duly utilized, unless the certificate in lieu of which it is issued, is surrendered to the company. The company shall be entitled to charge such fee, not exceeding rupees five per certificate, issued on splitting or consolidation of share certificate or any replacement of share certificates that are torn or defaced, as the Board thinks fit.
 - (b) When a new share certificate has been issued in pursuance of sub-clause (a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that "issued in lieu of share certificate it sub-divided/replaced/on consolidation of shares".
 - (c) When a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on payment of such fee, not exceeding rupees two as the board may from time to time fix, and on such terms if any, as to evidence and indemnity, as the board thinks fit.
 - (d) when a new share certificate has been issued in pursuance of sub-clause (c) of this Article, particular of every such share certificate shall be entered in a register of renewed and Duplicate certificate indicating against the names of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate id issued, and the necessary change indicated in the Register of members suitable cross reference in the "Remarks" column.
 - (e) where a new share certificate has been issued in pursuance of sub-clause (a) or sub-clause (c) of this Articles, particulars of every such share certificate indicating against the names of the persons to whom the certificate is issued, the number and date of issue, and the necessary change indicated in the Register of members by suitable cross reference in the "Remarks" column shall be made.
 - (f) All blank forms o be used for issue of share certificates shall be printed and the printing shall be done only on the authority of resolution of the Board. The blank forms shall be consecutively machine numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall kept in the custody of the secretary or of such other person as the Board may appoint for the purpose; and the secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.

- (g) The managing Director of the company for the time being or, if the company has no managing Director, every Director of the company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificate except the blank forms of share certificates referred to in sub-clause (f).
- (h) All books referred to in sub-clause (g) shall be preserved in good order permanently.
19. If any share stands in the name of two or more persons, the person first named in the Register of members shall as regards receipts of dividends or bonus or service of notices and all or any other matter connected with the company, except voting at meetings and the transfer of the shares, be deemed the sole holder thereof but the joint holders of a share shall be severally, as well as the jointly, liable for the payment of all installments and calls due in respect of such shares and for all incidents thereof according to the company's regulations.
20. Except as ordered by a court of competent jurisdiction or as by law required, the company shall not be bound to recognize any equitable, contingent, future or partial interest in any share, (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holders thereof; but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.
21. None of the funds of the company shall be applied in the purchase of any shares of the company, and it shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the company or in its holding company, save as provided by section 77 of the Act.

UNDERWRITING AND BROKERAGE

22. Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person, in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures of the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures in the Company; But so that the commission shall not exceed in case of shares five percent of the price at which the shares are issued and in case of debentures two and a half percent of the price at which the debentures are issued.
23. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.

INTEREST OUT OF CAPITAL

24. where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provision of any plant, which cannot be made profitable for a lengthy period, the company may pay interest on so much of that shares capital as is for the time being paid-up, for the period, at the rate and subject to the conditions and restrictions provided by section 208 of the Act, and may charge the same to capital as part of the cost of construction of the work or building, or the provision of plant.

CALLS

25. 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 a circular resolution) make such calls 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 at the time and places appointed by the Board. A call may be made payable by installments.
26. Thirty day's notice in writing of any call shall be given by the company specifying the time and place of payment, and the person or persons by who such call shall be paid.
27. A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board.
28. A call may be revoked or postponed at the discretion of the Board.
29. The joint- holders of a share shall be jointly and severally liable to pay all calls in respects thereof.
30. 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 as to all or any of the member for any reason which the Board may consider satisfactory but no member shall be entitled to such extension save as a matter of grace and favor.
31. If any member fails to pay any call due from him on the day appointed for payment thereof, or such extension thereof as aforesaid, he shall be liable to pay interest on the time by the payment at such 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.

32. Any sum, which by the terms of issue of a share becomes payable on allotment or at any 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 becomes payable as in case of non-payment, all the relevant provisions of these otherwise as to payment of interest and expenses, forfeiture otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
33. On the 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, money claimed to be due to the company in respect of whose shares the money is sought to be recovered appears entered on the Register of members as the holder, of subsequently to the date at which the money sought to be recovered alleged to have become due on the shares in respect of which such money is sought to be recovered; that the resolution to be duly recorded in the minute book; and that notice of such call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
34. Neither the receipt by the company of a portion of any money which shall from time to time be due from the member of the company in respect of his shares, either by way of principal or interest, and not any indulgence granted by the company in respect of payment of any such money, shall preclude the company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.
35. The Board may if it thinks fit, agree to and receive from any member willing to advance the same, all or any part of the amount of his respective shares beyond the sums actually called up and upon the moneys so paid in advance, or upon the moneys so paid in advance, or upon so much thereof, from time to time and at any time hereafter, as exceeds the amount of the calls then made upon and due in respect of shares on account of which such rate as the member paying the sum in advances are made, the Board may pay or allow interest at such rate as the member paying the sum in advance and the Board so agree upon. The Board may agree to repay at any time any amount in advance of calls shall not confer a right to dividend or to participate in profits.
36. No member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.
37. The company shall have a first and paramount lien upon all the shares other than fully paid-up shares to the extent of moneys called or payable at a fixed time in respect of such shares, registered in the name of each member whether solely or jointly with others, and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such expect upon the footing and upon the conditions that Articles 20 hereof is to have full effect. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of shares shall operate as a waiver of the company's lien if any, on such shares.
38. For the purposes of enforcing such lien, the Board may sell the shares subject thereto in such manner as they shall 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 member to execute a transfer thereof on behalf of their member 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 arrive, and until notice in writing of the intention to sell default shall have been made by him or them in payment, fulfillment, of discharge of such debts, liabilities or engagements for fourteen days after such notice.
39. 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 at the date of the sale.

FORFEITURE OF SHARES

40. If any member fails to pay any call or installment of a call on or 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.
41. The notice shall name a day (not being earlier than the expiry of fourteen days from the date of service of notice) and a place or places on and at 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. The notice shall also state that, in the event of the non-payment at or before the time and the place appointed, the share in respect of which the call was made or installment is payable will be liable to be forfeited.

42. If the requirements of any such notice as aforesaid are not complied with, every or any share in respect of which such notice has been given, may at any time thereafter, but before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited shares and not actually paid before the forfeiture.
43. When any share shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register of members, but no forfeiture shall be in any manner invalidated by any commission or neglect to give such notice or to make any such entry as aforesaid.
44. Any shares so forfeited shall be deemed to be the property of company, and may be sold, reallocated or otherwise disposed of, either to the original holder thereof or to other person, upon such terms and in such manner as the Board shall think fit.
45. 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 until payment, at such rate as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.
46. The forfeiture of a share shall involve extinction at the time of the forfeiture, of all interest in all claims and demands against the company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.
47. A declaration in writing that the declarant is a Director or secretary of the company and that a share in the company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
48. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of members in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the entered in the Register of members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damage only and against the company exclusively.
49. Upon any sale, re-allotment or other disposal under the provision of the preceding Articles, the certificate or certificate originally issued in respect of the relative shares shall (unless the same shall on demand by the company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.
50. The Board may at any time before any share so forfeited shall have been so sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

TRANSFER AND TRANSMISSION OF SHARES

51. The company shall keep a "Register of transfer", and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.
52. The said transfer shall be in writing and all the provisions of section 108 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and registered thereof.
53. The instrument of transfer duly stamped and executed by the transferor and the transferee shall be delivered to the company in accordance with the provisions of the Act. The instrument of transfer shall be accompanied by such evidence as the Board may require proving the title of transferor and his instrument of transfer shall remain in the custody of the company until destroyed by order the Board. The transferor shall be deemed to be entered in the Register and the name of the transferee shall have been entered in register, the certificate or certificates of the shares must be delivered to the company.
54. The Board shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the office of the company is situated to close the transfer books, the Register of members or Register of Debenture

holders at such time or times and for such period or periods, not exceeding thirty days at and not exceeding in the aggregate forty-five days in each year.

55. Subject to the provisions of section 111 of the Act, the Board of Directors may refuse whether in pursuance of any power of the company under the Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a member in, or debentures of the company, the company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission as the case may be, was delivered to the transferor or to the person giving, intimation of such transmission, as the case may be, giving reasons for such refusal.

Provided that registration of a transfer shall not be refused on the ground that the transferor being either alone or jointly with any other person indebted to the company on any account whatsoever.

It is hereby expressly that the power conferred under this Article shall be subject to the provision of section 22-A of the securities contracts (Regulation) Act, 1956 or any statutory modification or re-enactment thereof.

56. The instrument for transfer of shares shall be as prescribed by the Companies Act, 1956 and common instrument for transfer shall be used by all shareholders.
57. Where, in the case of partly paid shares, an application for registration is made by the transferor, the company shall give notice of the application to the transferee in accordance with the provisions of section 110 of the Act.
58. In the case of the death of any one or more person named in the Register of member as the joint-holders of any share, the survivor or survivors shall be the only persons recognized by the company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by his jointly with any other person.
59. The executors or administrators or holders of a succession certificate or the legal representatives of a deceased member (not being one of two or more joint-holders) shall be the share recognized by the company as having any title to the shares registered by the company as having any title to the share bound to recognize such executors or administrators or holders of a executors or administrators or legal representatives shall have certificate, as the case may be, form a duly constituted court in the union of India; provided that in case where the Board in the absolute discretion may think fit, the Board may dispense with production of probate or letters of Administration or succession certificate upon such terms as to indemnity or otherwise as the Article 61 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.
60. No share shall in any circumstances be subscribed for by or transferred to, any insolvent or person of unsound mind.
- 61.
- (a) subject to the provisions of Articles 58 and 59 any person becoming entitled to shares in consequence of the death lunacy, bankruptcy or insolvency of any member, or by and lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or such title as the board thinks sufficient, either be registered himself as the holders of this shares or elect to have some person nominated by him and approved by the Board registered as such holder; provided, nevertheless, that if such person shall election by executing in favor of his nominee an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the shares.
- b) The Board shall have the same right refuse to register a person entitled by transmission to any shares or his nominees as if he were the transferee named in the case of a transfer of shares presented for registration.
62. A person entitled to a share by transmission shall, subject to the right of the directors to retain such dividends or money as hereinafter provided, be entitled to receive, and may give a discharge for dividends or other moneys payable in respect of such share.
63. No fee shall be charged for the registration of a transfer or transmission of any share.
64. The company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of member) to the prejudice of person having or claiming any equitable right, title or interest or notice prohibiting registration of such transfer, and interest or notice, or referred thereto, in any book of the company, and the company shall not be bound or required to regard or attend or give effect to

any notice which may be given to it of any equitable right, title or interest, or be under any may have been entered or referred or neglecting so to do, 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.

COPIES OF MEMORANDUM AND ARTICLES OF ASSOCIATION TO BE SENT TO MEMEBERS

65. Copies of the memorandum and Articles of Association of the company and documents referred to in section 39 of the of Act shall be sent by the company to every member at his request within seven days of the request on payment of the sum of Rupee one for each copy.

BORROWING POWERS

66. Subject to the provisions of Sections 58A, 292 and 293 of the Act and of these Articles, 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 call or otherwise, and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the company provided however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (that is to say, reserves not set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting.
67. Subject to the provisions of Articles 66 hereof, the payment and repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, by resolutions passed at a meeting of the Board (but not by circulation) and in particular, by the issue of the bonds debentures or debentures or debenture-stock of the company either unsecured or secured by the mortgage or charge over all or any part of the property of the company (both present and future) including its uncalled capital for the time being, and debentures, debenture stock, bonds and other securities may be the person to whom the same may be issued.
68. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and maybe issued on condition that they or any part of them shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting at) General Meetings, appointment of Directors and otherwise. Debentures with a right to conversion or allotment of shares shall be issued only with the consent of the Company in General Meeting by a Special Resolution.
69. The Board shall cause a proper register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company; and shall cause the requirements of Sections 118, 125, and 127 to 144 (both inclusive) of the Act, in that behalf to be duly complied with (within the time prescribed by the said sections or such extensions thereof as may be permitted by the Company Law Board or the Court or the Registrar as the case may be) so far as they fail to be complied with by the Board.
70. The Company shall if any time it issues debentures, keep a Register and Index of Debenture holders in accordance with Section 152 of the Act. The Company shall have the power to keep in any State or Country outside India a Branch Register of Debenture-holders resident in that State or Country.
71. Debentures, debenture-stock shall be transferable, transmitted, spilt and consolidated in the same manner and to the same extent and be subject to the same restrictions and limitations as in the case of shares in the company and the provisions contained in these Articles of Association relating to transfer and mutandis, to transfer and transmission, spilt and consolidation of debentures, debentures-stock.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

72. The Company in General Meeting may convert any paid-up shares into stock; and when any shares have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest therein, or any part of such interest, in the said manner and subject to the same Regulations as, and subject to which shares from which the stock arose might have been transferred if no such conversion had taken place, or as near thereto as circumstance will admit. The Company may at any time reconvert any stock into paid-up shares of any denomination.
73. 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 privilege advantage (except participation in the dividends and profits of the Company and in the assets

on winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

MEETINGS OF THE MEMBERS

74. The company shall in each year hold a General meeting as its Annual General Meeting in that year. All General meetings in addition to any other than Annual General Meeting shall be calls Extraordinary General Meetings. An Annual General Meeting shall be held within six months after the expiry of each financial year provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Nothing the right conferred upon the provisions shall be taken as affecting section 166(1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting not a public holiday, and shall be held at the office of the company or at some other place within the city in which the office of the company is situate as the Board may determine and the notices calling the meeting shall specify it as the Annual General Meeting. The company may in any one Annual General Meeting fix the time for its subsequent Annual General Meetings. Every member of the company shall be entitled to attend either in person or by proxy and the Auditor of the company shall have the right to attend and the Auditor of the company shall have the right to part of the business which concerns him as Auditor. At every Annual General Meeting of the company there shall be laid on the table the Director's Report and Audited statement of Account, Auditors Report (if not already incorporated in the in the audited statement of Accounts), the proxy register with proxies register with proxies and the Register of Director's shareholdings which latter register shall remain and open accessible during the continuance of the meetings. The shares capital, balance sheet list of members, summary of same forward to the Register in accordance with sections 159,161 of the Act.
75. The Board may, whenever it thinks fit. call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any Member or Members holding in the aggregate not less than one tenth of such of the paid-up capital; as at that date carried the right of voting in regard to the matter in respect of which the requisition has been made.
76. Any valid requisition so made by the Members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.
77. Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting: and if it does not proceed within twenty-one days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid-up. share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in Section 169 (4) of the Act, whichever is less, may themselves call the meeting, but in either case any meeting So called shall be held within three months from the date of deposit of the requisition as aforesaid.
78. Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.
79. Twenty-one day's notice at the least of every General Meeting, Annual or Extraordinary, and by the whomsoever called, specifying the day, place and hour of meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the company. Provided in that in the case of Annual General Meeting with the consent in writing of all the members entitled to vote thereat and in case of any other meeting, with the consent of members entitled to vote thereat and in case of any other meeting, with the consent of members holding not less than 95 per cent of such part of the paid-up share capital of the company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice. In the case of an Annual Meeting, if any business other than (i) the consideration of the Accounts Balance sheets and reports of the Board of Directors and Auditors , (ii) the declaration of dividend, (iii) the appointment of, and fixing of the remuneration of the Auditors, is to be transacted, and in the case of any other meeting in any event, there shall be annexed to the notice of the meeting a statement out all material facts concerning each such item of business, including in particular the nature of the concern o interest, if any therein of every Director, and the manager, if any, of the other company shall also be set out in the statement, if the any, of company shall also be set out in the statement, if the extent of such shareholding interest is not less than 20 percent of the paid-up share capital of that other company. Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

80. The accidental omission to give any such notice as foresaid to any of the members or other person to it should, of the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.
81. No General meeting, Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notices upon which it was convened.
82. Five members present in person shall be quorum for a General meeting.
83. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with section 187 of the Act.
84. If, at the expiration of half an hour from the time appointed for holding a meeting of the meeting, if convened by or upon the requisition of members shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not public holiday at the same time and place or to such other day office of the company is for the time being situated, as the Board may determine, and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum and may transact the business for which the meeting was called.
85. The chairman (if any) of the Board shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary, If there be no such chairman of the Board, or if any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he members present shall elect another Director as chairman, and if no Director be present or if all the Directors present shall elect one of their number to be the chairman.
86. No business shall be discussed at any General Meeting except the election of chairman, whilst the chair is vacant.
87. The chairman, with the consent of the members, may adjourn any meeting from time and from place to place, but no business shall be transacted at any meeting other than the business left unfinished at the meeting from which the adjournment took place.
88.
 - (a) Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the chairman of the meeting of his own motion, and shall be ordered to be taken by him on a demand made in that behalf by any member or members or members present in person or by proxy and holding shares in the company:-
 - (i) which confer a power to vote on the resolution not before less than one tenth of the total voting power in respect of the resolution, or
 - (ii) on which as aggregate sum of not less than fifty thousand rupees has been paid-up.
 The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
 Unless a poll is demanded, a declaration by the chairman that a resolution has on a show of hands, been carried or carried unanimously or by a particular majority, or lost and an entry to that effect in the minute book of the company shall be conclusive evidence recorded in favor of or against that resolution.
 - (b) In the case of an equality of votes, the chairman shall both on a show of hands and at a poll (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a member.
89. If a poll is demanded as aforesaid the same shall subject to Articles 92 be taken at such time (not later forty-eight hours from the time when the demand was made) and place in the city or town in either by open voting or by ballot, as the chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the meeting at which the poll was demanded. The demand for of the meeting at withdrawn at any time by the person or persons who made the demand.
90. Where a poll is to be taken, the chairman of the meeting shall appoint two scrutinizers so appointed and to report thereon, to him. One of the scrutinizers so appointed shall always be a member (not being an officer or employee of the company) present at the meeting, provided such a member is available and willing to be appointed. The chairman shall have power at any time before the result of the poll is declared to remove a scrutinizer from office and fill vacancies in the office of scrutinizer from office and fill vacancies in the office of scrutinizer arising from such removal or from any other cause.
91. Any poll duly demanded on the election of a chairman of a meeting or any question of adjournment shall be taken at the meeting forthwith.

92. The demand for a poll expects on the question of the election of the chairman and an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question the poll has been demanded.

VOTES OF MEMBERS

93. No member shall be entitled to vote either personally or by proxy at any General Meeting or meeting of a class of shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right of lien.
94. Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to class of shares for the time being forming part of the capital of the company, every member, not disqualified by the last preceding Articles shall be entitled to be present, any to speak and vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the in proportion to his share of the paid-up equity share capital of the company. Provided, however, if any preference shareholder be present at any meeting of the company, save as provided in clause (b) of sub-section 87 of the Act, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares.
95. On a poll taken at a meeting of the company, a member entitled to more than one vote, or his proxy other person entitled to vote for him, as the case may be, need not, if votes, use all his votes or cast in the same way all the votes he uses.
96. A member of unsound mind or in respect an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian; and any such committee or guardian may, on poll vote by proxy. If any member be a minor, the vote in respect of his shares or shares shall be his guardian, or other any one of his guardians, if more than one, to be selected in case of dispute, by the guardian of the meeting.
97. If there be joint registered holders of any shares, any one of such persons may vote at any meeting or may appoint another person (whether a member or not) as his proxy in respect of such shares as if he were solely entitled thereto, but the proxy so appointed shall not have any joint-holders be present at any meeting, that one of the said persons so present whose name stands higher on the register of members shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the jointly executors or administrators of a deceased member, in whose name shares stand shall for the purpose of these Articles. Be deemed joint-holders thereof.
98. Subject to the provisions of these Articles, votes may be given either personally or by proxy. Body corporate being a member may vote either by a proxy or by a representative duly authorized in accordance with section 187 of the Act and such representative shall be entitled to exercise the same rights and powers (including the powers the rights to vote by proxy) on behalf body corporate which he represents as that body could exercise if it were an individual member.
99. Any person entitled under Article 61 to transfer any share may vote at any general meeting in respect thereof in the same manner as if he were the Registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting of adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require and give shall have previously admitted his rights to vote at such meeting in respect thereof.
100. Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation, or be signed by an officer or any attorney duly authorized by it, and any committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meeting.
101. An instrument of proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof, or it may appoint for the purpose of every meeting of the company, or of every meeting to be held before date specified in the instrument and every adjournment of any such meeting.
102. A member present by proxy and is entitled to vote only on a poll.
103. The instrument appointing (if any), under which it is signed or a notarized other authority (if any), under which it is signed or a notarized certified copy of that power of authority, shall be deposited at the office not later than power of authority, shall be deposited at the office not later than forty-eight hours before the time for holding the meeting the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated be treated as valid.

104. Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in any of the form set out in schedule IX of the Act.
105. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which of which the vote is given, provided that no intimation in writing of the death or instantly, revocation or transfer shall have been received at office before the meeting.
106. No objection shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.
107. The chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the time of taking of poll shall be the sole judge of the validity of every vote tendered at such poll.
108.
 - 1) The company shall cause minutes of all proceedings of every General meeting to be kept by making within thirty days of the conclusion of every such meeting concerned entries thereof in books kept for that purpose with their pages consecutively numbered.
 - 2) Each page of every such book shall be initialed or signed and the last page of the records of proceedings of each meeting in such book shall be dated and signed by the chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that chairman within that period, by a Director duly authorized by the Board for that purpose.
 - 3) In no case shall the minutes of proceedings of a meeting be summary to any such book as aforesaid by pasting or otherwise.
 - 4) The minutes of each meeting shall contained a fair and correct summary of the proceedings thereat
 - 5) All appointments of officers made at any meeting are attached to any such book as aforesaid by pasting or otherwise.
 - 6) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any such minutes of any matter which in the opinion of the chairman of the meeting (a) is or could reasonably be regarded as defamatory of any person, or (b) is irrelevant or immaterial to the proceedings or (c) is detrimental to the interest of the company. The chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.
 - 7) Any such minutes shall be evidence of the proceedings recorded therein.
 - 8) The book containing the minutes of proceedings of General Meetings shall be kept at the office of the company and shall be kept open during business hours, for such periods not being less, in the aggregate, than two hours in each day, as the Directors determine, for inspection of any member without charge.

DIRECTORS

109. Until otherwise determined by the General Meeting and subject to section 252 of the Act, the number of Directors (excluding Alternate Directors) shall not be less than three nor more than twelve.
 - (a) The first Directors of the company shall be;
 1. **DURAIYA HOZEF DARUKHANAWALA**
 2. **NAUSHIR KEKI MISTRY**
 3. **MAYOOR CHAMPAKLAL SHAH**
 - (b) First Directors shall be permanent Directors and act as Directors until he/she dies or voluntarily resigns or become incapable of acting and shall not, while holding that office be subject to retirement by rotation or removal.
110.
 - (1) Not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement by rotation.
 - (2) At every Annual General Meeting of the company, one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office. The Directors appointed under Articles 111 A, B, and 112 shall not be subject to retirement under these Articles and shall not be taken into account in determining rotation, retirement or the number of Directors to retire.
 - (3) The Directors to retire by rotation under the foregoing Article shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and

subject to any agreement among themselves, be determined by lot. A retiring Director shall be eligible for re-election.

- (4) The company at the Annual General Meeting at which a director retires in manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.

- (5)
- (a) If the places of the retiring director is not so filled up and the meeting has not expressly resolved not to filled the vacancy, the meeting shall adjourned till the same day in the next week, at the same time and place, of if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.
 - (b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill up the vacancy the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:
 - i) at the meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
 - ii) the retiring Director has by a notice in writing addressed to the company or its Board, expressed his unwillingness to be reappointed;
 - iii) he is not qualified or is disqualified for appointment;
 - iv) a Resolution, whether special or ordinary, is required for the appointment or re-appointment by virus of any provisions of the Act; or
 - v) the provision to sub-section (2) of section 263 of the Act is applicable to the case.

111.(A) (1) Notwithstanding anything to the contrary contained in these Articles. So long as any they moneys remain owing by the company to the Industrial Development bank of India (IDBI), the Industrial credit and Investment corporation of India ltd. (ICICI), Industrial finance corporation of credit corporation of India.(LIC) or to any other finance corporation of credit corporation or to any other financing company or body out of any loans granted by them to the company or so long as IDBI,IFCI,ICICI,LIC and unit trust of India (UTI) or any other financing company or body (hereinafter in this Article referred to as "the corporation") continue to hold debentures in the company as result of underwriting or by direct subscription or private placement, or so long as the corporation holds shares in the company as a result of underwriting or direct subscription or so long as any liability of the company arising out of any guarantee furnished by the corporation on behalf of the company remaining outstanding, the corporation shall have a right to appoint from time to time any person or persons as a Director or Director whole time or non-whole time (which Director or Directors is/are hereinafter referred to the company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places.

(2) The Board of Directors of the company shall have no power from office the nominee Director/s. such nominee Director/s shall not be required to hold shares qualification in the company nor shall he/they be liable to retire by rotation. 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.

(3)The Nominee Director/s so appointed shall hold the said office only so long as the corporation holds shares in the company as a result of conversion of part of the said debentures or so long as the company owes any moneys to the corporation under the said Debentures and the nominee Directors/ s so appointed in exercise of the said power shall ipso facto vacate such office immediately on the corporation ceasing to hold the said debenture/s or shares in the company or on the moneys owing by the company to the corporation under the said Debentures shall be paid off.

(4) The nominee Director/s appointed under this Article shall be entitled to receive all notices and to attend all General Meetings, Board meetings and meetings of the committee of which the nominee director/s is / are member/s as also the minutes of such meetings. The corporation shall also be entitled to receive all such notices and minutes.

(5) The company shall pay to Nominee Director/s sitting fees and expenses which the other director 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 corporation and the company directly to the corporation. Any expenses that may be incurred by the connection with their appointment or company to the corporation or as the case may be to such nominee Director/s is an officer of the corporation the shitting fees in relationship corporation and the same shall accordingly be paid by the company directly to the corporation.

(6) In the event of the company committing any default in terms of the heads of Agreement/letters of sanction/ memorandum of terms and conditions entered into/to be entered into by the company with the corporation shall have the rights to appoint nominee director/s as whole time as Director/s and the company shall if required take all necessary steps to affect such appointments/s.

It is hereby expressly declared that notwithstanding anything contained in this Article, such nominee Director/s appointed as whole time Director/s appointed as whole time Director shall exercise such powers and duties as may be approved by the corporation and have such rights as are usually exercised such available to a whole time Director in the management of the company. Such nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be sanctioned by the central Government and approved by the corporation.

B. Notwithstanding anything to the contrary contained in these Articles, in the event of the company borrowing by way of debentures or debentures stock secured under a trust deed or a trustee Agreement or borrowing by way of term loans Deed or a trustee Agreement or borrowing by the way of term loans either the public financial Institutions or state financial Institutions secured under a trust deed or by the holders of the Debentures or debentures stock or by the lenders of such trustees or the Director and from time appointed under this Article is herein referred to as special Director so appointed. The special Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or subject to the provisions of the trustees Agreement or the term loan Agreement, as the case may be, may contain ancillary provisions or the holders of the Debentures or Debenture stock or the term loan lenders and all such provisions shall have effect, notwithstanding any of the provisions herein contained.

112. whenever the Director enter into a contract with any Government (Central, state or local) or any person or persons for borrowing any money or for providing any guarantee or security or for technical collaboration or a assistance or for underwriting or enter into any other arrangement whatsoever, the Directors shall have, subject to the provisions of section 255 of the Act, the power to agree that such government, person or persons shall have the right to appoint or nominate by a notice in writing addressed to the company one or more Directors or Directors may not be liable to retire by rotation nor be required to hold any qualification shares. The Directors may also agree that any time by the Government, person or persons may appoint another or others in his or their place and also fill in any vacancy which may occur as a result of any such Director. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoyed by the Directors of the company including the payment of remuneration and travelling expenses to such Director or Directors as may be agreed by the company with such person or persons aforesaid.
113. The board may appoint an Alternate Director to Act for a Director (hereinafter called "the original Director") during his absence for a period of not less three months from the state in which the meetings of the Board are ordinarily held. An Alternate Director shall not hold office for a period longer than that permissible to the original Director in whose place he has been appointed and shall vacate office if and when the original Director is determined before he so returns to that state, any provisions in the Act or in these articles for automatic re-appointment of retiring Directors and not to Alternate Director.
114. Subject to the provisions of section 260 and 264 (6) of the Act, the board shall have power at any time and from time to the appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated by him.
115. The fee payable to the Directors for attending a meeting of the Board or a committee thereof shall be Rs.500 or such higher, that is the maximum sum, as shall be prescribed by the law or by the central Government from time to time. The company may allow have been incurred by him or such sum as may be considered fair and reasonable for attending such meetings.
116. If any Director other than a managing Director or any Director who is in the whole time service of the company being willing, shall be called upon to perform extra services or to make any special exertions upon to perform extra services or to make any special exertions in going or residing away from Bombay for any of the purposes of the company or in giving special attention to the business of the company or as a member if a committee of the Board then, subject to sections 198,309 and 310 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 which he may be entitled.
117. The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 109 hereof, the

continuing directors not being less than two, may act for the purposes of increasing the number of Directors to that number, or of summoning a general meeting, but for no other purpose.

118. 1) subject to sections 283 (2) and 314 of the Act ,the office of a Director shall become vacant if:-

- (a) he is found to be of unsound mind by a court of competent jurisdiction; or
- (b) he applies to be adjudicated an insolvent; or
- (c) he is adjudged an insolvent; or
- (d) He fails to pay any call made on him in respect of share of the company held by him, whether alone or jointly with others, within six months from the state fixed for payment of such call unless the central Government has, by notification in the official Gazette removed the disqualification incurred by such failure; or
- (e) he absents himself for three consecutive meetings of the Directors or from all meetings of the Directors for continuous period of three months, whichever is longer, without leave of absence from the Board; or
- (f) he becomes disqualified by an order of the court under section 203 of the Act; or
- (g) he is removed in pursuance of section 284 of the Act; or
- (h) he (whether by himself or by any person for his benefits or on his account) or any firm in which he is a partner or any private company of which he is Director, accepts a loan, or any guarantee or security for loan, from the company in contravention of section 295 of the Act; or
- (i) He acts in section 299 of the Act; or
- (j) He is convicted by a court for any offence of his involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months;
- (k) Having been appointed a Director by virtue of his holding any office or to her employment in the company, he ceases to hold such office or other employment in the company ;or
- (l) He resigns his office by a notice in writing addressed to the company; or
- (m) Any office or place of profit under the company or under any subsidiary of the company is held in contravention of section 314 of the Act and by operation of that section he is deemed to vacate office.

(2) Notwithstanding any matter or thing in sub-clauses (c), (f) and (j) of clause (1), the disqualification referred to those sub-clauses shall not take effect:-

- (a) for thirty days from the date of adjudication, sentence or order; or
- (b) where an appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or
- (c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed, would result in the removal petition is disposed.

119. Any Director or other referred to in section 314 of the Act may be appointed to or hold any office or place of profit under the company or under any subsidiary of the company in accordance with the provisions of section 314 of the Act.

120.

(1) Expect with the consent of the board of Directors of the company, and so long as the paid-up share capital of the company continues to be not less than Rupees one crore, expect with the previous approval of the central Government, a Director of the company or his relative, a firm in which such a Director or relative is a partner, any other partner is a member or Director, shall not enter into any contract with the company:-

- (a) for the sale, purchaser or supply of any goods, materials or services: or
- (b) for underwriting the subscription of any shares in or debentures of the company.

(2) Nothing contained in sub-clause (a) or clause (1) shall debentures of the company.

- (a) the purchase of goods and materials from the company, or the sale of goods and materials to the company by any Director, relative, firm, partner or private company as aforesaid from cash at prevailing market prices; or
- (b) any contract or contracts between the company on one side and such Director, relative, firm, partner or one private company on the other for sale, purchaser or supply of any goods, materials and services in which either the company or the Director, relative, firm, partner or private company, as the case may be, regularly trades or does business.

PROVIDED THAT such contract or contracts do not relate to goods and materials the value of which exceed five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts.

- (3) Notwithstanding anything contained in sub-clause (1) and (2) of this Article, a Director, relative, firm, partner or a private company as aforesaid may, in circumstances of urgent necessity, enter into any contract with the company for the sale, purchase or supply of any goods or materials or services, even if the value of such goods or cost of such services exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract; but in such a case the consent of the Board shall be obtained at a meeting within three months of the date on which the contract was entered into.
- (4) Every consent of the Board required under this Article shall be accorded by a resolution passed at a meeting of the Board and not otherwise; and the consent of the Board required under sub-clause (1) of the Article shall not be deemed to have been given within the meaning of that sub-clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into.
- (5) If the consent is not accorded to any contract under this Article, anything done in pursuance of the contract shall be voidable at the option of the Board.
121. Save as permitted by section 263 of the Act, every Resolution of a General Meeting for the appointment of a Director shall relate to one named individual only.
122. The company may, subject to the provisions of section 284 of the Act, by ordinary resolution of which special notice has been given, remove any Director before the expiration of his period of office and by ordinary resolution of which special notice has been given, appoint by the company in general meeting or by the board under Article 114 (b). If the vacancy created by the removal of a Director under the provisions of this Article is not so filled by the meeting at which he is removed, the provisions of Article 114 (b).
123. A Director of the company who is in any way, whether directly or indirectly concerned or interest in a contract or arrangement entered into or to be entered into by or on behalf of the company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in section 299 (2) of the Act; provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with or more of them together hold not more than two percent of the paid-up share capital in any such other company.
124. A general notice given to the board by the effect that he is a Director or member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice be entered into with that body corporate or firm shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
125. No Director shall as Director take any part in the discussion of or vote, on any contract or arrangement entered into, or to be entered into, by or on behalf of the company, if he is in anyway whether directly or indirectly concerned or interested in such contract or arrangement; nor shall his presence count for the contract of forming a quorum at the time of any such discussion of vote, and if he does vote, his vote shall be void; provided however, that nothing herein contained shall apply to:-
- (a) Any contract of indemnity against any loss which the directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the company;
 - (b) Any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company the interest of the Director consist solely-
- (i) In his being—
 - (a) a Director of such company; and
 - (b) the holders of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by there company;
 - (ii) in his being in accordance with section 301 (1) of the Act and shall within the time specified in section 301 (2) of the Act enter therein such Director thereof, having been nominated as such Director by the capital.
126. The company shall keep a Register in accordance with section 301 (1) of the Act and shall within the time specified in section 301 (2) of the Act enter therein such of the particulars as

may be relevant having regard to the application thereto of section 297 or section 299 of the Act as the case may be. The Register aforesaid shall also specify, in relation to each Director of the company, the names of the supplies corporate and firms of which notice has been given by the under Article 124. The Register shall be kept at the office of the company and shall be open to inspection shall be kept at office, and extracts may be taken there from and copies thereof may be required by any member of the same fee as in the case of the Register of members of the company and the provisions of section 163 of the Act shall apply accordingly.

127. A Director may be or become a Director of any company promoted by the company, or in which he may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as a Director or shareholders of such company expect in so far as section 309 (6) or section of the Act may be applicable.

128. Subject to section 259 of the Act, the company may by ordinary Resolution from time to time, increase or reduce the number of Directors.

129.

(1) Subject to the provisions of the Act and these Articles, any person who is not a retiring shall be eligible for appointment to the office of Director at any General Meeting if he or some member intending to proposes him has at least fourteen clear days before the meeting left at the Registered office of the candidature a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office as the case may be, along with a deposit of five hundred rupees which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting selected as a Director.

(2) Every person (other than a Director retiring by rotation or otherwise, or a person who has left at the office of the company a notice under section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director, shall sign and file with the company, his consent in writing to act as a Director, if appointed

(3) A person other a Director re-appointed after retirement by rotation or immediately after retirement by rotation or immediately on the expiry of his term of office, or an Additional or Alternate director, or a person filling a casual vacancy in the office of a Director under section 260 of the Act, appointed as a Director or re-appointed as an Additional or Alternate Director, immediately on the expiry of his term of office, shall not act as a Director of the company, unless he has within thirty days of his appointment signed and filled with the Registrar his consent in writing to act as such Director.

130.

(a) The company shall keep at its office a Register containing the particulars of its directors, managers, secretaries and other person mentioned in section 303 of the Act, and shall otherwise comply with the provisions of the said section in all respects.

(b) The company shall in respect of each of its Directors also keep at its office a Register, as required by section 307 of the Act, and shall otherwise duly comply with the provisions of the said section in all respects.

131.

(a) Every Director (including a person deemed to be a Director by virtue of the Explanation to sub-section, (1) of section 303 of the Act), managing Director, manager or secretary of the company shall, within twenty days of his appointment to or as the case may be relinquishment of any of the above offices in any other body corporate, disclose to the company the particulars relating to his office in the other body corporate which are required to be specified under sub-section (1) of section 303 of the Act.

(b) Every Director and every person deemed to be Director of the company by virtue of sub-section (10) of section 307 of the Act shall give notice to the company of such matters relating to himself as may be necessary for the purpose of enabling the company to comply with the provisions of that section.

MANAGING DIRECTOR(S) AND WHOLE-TIME DIRECTOR(S)

132. Subject to the applicable provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its number as managing Director or managing of the company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and subject to the provisions of Articles to the provisions of Articles 135 the Board may by a resolution vest in such managing Director or managing Directors such of the powers may be made exercisable for such period or periods upon such conditions and subject to such restrictions as it may

determine. The remuneration of a managing Director or managing Director may be by way of monthly payment, participation in profits or by any other mode not expressly prohibited by the Act, subject to the provisions of section 255 of the Act, a managing Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire, but (subject to the provisions of any contract between him and the company) he shall be subject to the same provisions as to resignation and removal as the other directors and he shall, ipso facto and immediately cease to be managing Director if he ceases to hold the office Director from any cause.

133. Subject to the applicable provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its number as whole-time Directors of the company for a fixed term not exceeding five years at a time and upon terms and upon terms and conditions as the Board thinks fit, and subject to the provisions of Articles 135, the Board may by resolution vest powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine. The remuneration of whole-time Director or whole-time Directors may be way of monthly payment, fee before each meeting or participation in profits, or by any or all of these modes, or any other mode not prohibited by the Act.
134. The managing Director or managing Directors or whole-time Director or whole-time Directors shall not exercise the power to:
 - (a) Make calls on shareholders in respect of money unpaid on the shares in the company;
 - (b) issue debentures;
 - (c) borrow moneys, otherwise than on debentures
 - (d) invest the funds of the company; and
 - (e) make loans.
135. The company shall not appoint or employ, or continue the appointment or employment of, a person as its managing Director or whole-time Director who-
 - (a) Is an undischarged insolvent, or has at any time suspended payment to its creditors or has at any time made a composition with them; or
 - (b) Suspends, or has at any time been, convinced payment to its creditors or makes, or has any time made a composition with them; or
 - (c) Is, or has at any time been, convicted by a court of any offence involving moral turpitude.
136. A managing Director or whole-time Director shall ipso facto and immediately cease to be managing Director or whole-time if he ceases to hold the office of a Director.

PROCEEDINGS OF THE BOARD OF DIRECTORS

137. The Directors may meet together as a Board for the dispatch of business from time to time and shall so meet at least once in every three calendar months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they may think fit.
138. Unless otherwise agreed to by all the Directors at least fifteen days notice of every meeting of the Board shall be given in writing to every Director whether in or outside India, In case of directors residing outside India notice shall sent cable or telex.
139. The quorum for meeting of the Board shall be determined from time to time in accordance with the provisions of section 287 of the Act. If a quorum shall not be present within fifteen minutes from adjourned until such date and time as the chairman of the Deputy Chairman of the Board shall appoint.
140. A meeting of the Board at which a quorum be present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in or exercisable by the Board.
141. If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Board, the meetings shall be adjourned to the same day in the next week, at the same time and place, or to such other date, time and may be determined by the Board.
142. The secretary shall, as and when directed by any one of the Directors to do so, convene a meeting of the Board by giving a notice in writing to every Director.
143. The Directors shall appoint one of their numbers to be the chairman of the company and of its Board of Directors for such period as they shall think fit. Notwithstanding anything to the contrary Annual General Meetings of the company and also all meetings of the Board. The chairman shall exercise such powers and perform such duties as may from time to time be delegated or assigned to him by the Board subject nevertheless to the provisions of the

companies Act, 1956. Subject to the provisions of section 309, 310 and 314 of the companies Act, 1956, the Board may from time to time determine.

144. The Directors may appoint one of their numbers to be the Deputy Chairman of the company and of its Board for such periods as they shall think fit. Notwithstanding anything to the contrary contained in these Articles, the Deputy chairman shall, in the absence of the General, preside over the Annual General Meeting of the company and also all other General Meetings of the company and also all meetings of the Board the deputy chairman shall exercise such powers and perform such duties as may from time to time be delegated or assigned to him by companies Act, 1956. Subject to the provisions of section 309, 310 and 341 of the companies Act, 1956, the Deputy chairman entitled to such remuneration as the Board may from time to time determine.
145. If at any meeting of the Board, the chairman or the Deputy Chairman is not present at the time appointed for holding the same, the directors present shall choose one of their numbers to be the chairman of such meeting.
146. Questions arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes, the chairman shall have a second or casting vote.
147. Subject to the restrictions contained in section 292 of the Act, the board may delegate any of their powers to committees of the Board consisting of such member of the Board consisting of such member or members of its body as it think fit, and it may from time revoke and discharge any such committee of the Board in conformity with such regulations and in fulfillment of the purposes of their of their appointment but not otherwise, shall have the like force and effect as is done be the Board.
148. The meeting and proceedings of any such committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the directors, so far as the same are made by the Directors under the last preceding Article.
149. No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any to all the directors or members of the committee, then in India (not being less in number than the quorum fixed usual address other Directors or members of the committee as are then in India, and has been approved by such of the Directors or members of the committee at their usual address in India, and has been approved by such of the Directors or members of the committee as are then in India, or by majority of such of them, as are entitled to vote on the resolution.
150. All acts done by any meeting of the Board or by a committee of the Board, or by person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or person acting as a 'foresaid' or that they, or any of them had been terminated by virtue of any provisions contained in the Act or in these Article, be as valid as if every such person had been duly appointed his appointment had not been terminated provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the company to be invalid or to have terminated.
151.
 - (1) The company shall cause minutes of all proceedings of every meeting of the Board and committee thereof, to be kept by making within thirty days of the conclusion of every such meeting entire thereof in books kept for that purposes with their pages consecutively numbered.
 - (2) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the chairman of the purposes with their pages consecutively numbered.
 - (3) In case shall every such minutes of proceedings of a meeting be attached to any such book aforesaid by pasting or otherwise.
 - (4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
 - (5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
 - (6) The minutes shall also contain---
 - (a) the names of the directors present at the meeting: and
 - (b) in the case of each resolution passed at the meeting, name of the Directors, if any, dissenting from, or not concurring with the resolution.
 - (7) Nothing contained in sub-clauses (1) to (6) above shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the chairman of the meeting –

- (a) is or could reasonably be regarded as defamatory of any person;
 - (b) Is irrelevant or immaterial to the proceedings; or
 - (c) Is detrimental to the interests of the company.
- (8) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings shall be evidence of the proceedings recorded therein.
- 152. The Board may exercise all such powers of the company and do all such acts and things as are not, by the Act or be exercised by the Articles of the company, required to be exercised by the company in general meeting. Subject nevertheless to these Articles, the provisions of the Act, or any other Act or to any regulations being not regulations made by the company in General meetings shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
 - (a) Sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the company, or where the company owns more than undertaking, of the whole , or substantially the whole of any undertaking;
 - (b) Remit, or give time for the repayment of, any debt due by a Director;
 - (c) Invest otherwise than in trust securities, the amount of compensation received by the company in respect of the compulsory acquisition of any such undertaking as is used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;
 - (d) Borrow moneys, where the moneys to be borrowed together with the moneys already borrowed by the company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) will 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 in section 292 of the Act shall , subject to the these Articles, be exercised only at meetings of the Board, unless the same be delegated to the extent therein stated ; or
 - (e) Contribute to charitable and other funds not directly relating to be business of the company or the welfare of its employees, any amounts the aggregate of which will, in any financial year exceed fifty thousand rupees or five percent of its average not profits as determined in accordance with the provisions of sections 349 and 350 of the Act during three financial years immediately preceding, whichever is greater.
- 153. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way limit or restrict those powers, and without prejudice to the restrictions contained in the last preceding Article, it is hereby declared that Directors shall have following powers, that is to say, power-
 - (1) To pay costs, charges and expenses preliminary and incidental to the promotion formation established, registration and regulation of the company and to the issue of further capital.
 - (2) To pay and charge to the capital account of the company any commission or interest lawfully payable there out under the provisions of sections 76 and 208 of the Act.
 - (3) Subject to section 292 and 297 of the Act, to purchaser or otherwise acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit, and in any such purchase or other acquisition to be accept such title as the Director may believe or may be advised to be reasonable satisfactory.
 - (4) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the company, either wholly or partially in cash or in shares, bonds, debentures, loan, stocks, mortgages, or other securities of the company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon, as may be agreed upon and securities may be either as fully paid-up or with such amount credited as paid up thereon, as ,may be agreed upon and any such bonds, debentures, loan stocks, mortgages or other securities may be either specifically charged upon all or any part of the property of the company and its uncalled capital or not so charged.
 - (5) To secure the fulfillment of any contracts or engagements entered into by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.
 - (6) To accept from any member, as far any be permissible by law, surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.
 - (7) To appoint any person to accept and hold in trust for the company any property belonging to the company, in which it is interested, or for any other purposes; and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.
 - (8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the company or its officers, or otherwise concerning the affairs of the company, and also to compound and allow time for payment or satisfaction of any debts due, and of any claim of

- any claim demand by or against the company and to refer any difference to arbitration, and observe and perform any awards made thereon.
- (9) To Act on behalf of the company in all matters relating to bankrupts and insolvents.
 - (10) To make and give receipts, releases, and other discharge for moneys payable to the company and for the claims and demands of the company.
 - (11) Subject to the provisions of section 292,295,370 and 372 of the Act, to invest and deal with any moneys of the company not immediately required for the purposes thereof upon such security (not being shares of this company), or without security and in such manner as they may think fit, and from time to time to vary or realize such investments. Save as provided in section 49 of the Act, all investments shall be made and held in the company's own name.
 - (12) To execute in the name and behalf of the company, in favor of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the company, such mortgages of the company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.
 - (13) To determine from time to time who shall be entitled to sign on the company's behalf bills, notes, receipts, acceptance, endorsement, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.
 - (14) To provide for the welfare of director or ex-directors or employees of the employees or ex-employees of the company a share in the profits of the company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the company.
 - (15) To provide for the welfare of directors or ex-directors or employees or ex-employees of the company and their wives, widows and families or the dependants or connections of such persons, by building or contributing to the building of persons, by building of houses, dwellings or chawls, or by grants of money, pension, gratuities, allowance , bonus or grants of money, pension, creating, and from time to time subscribing or contributing to provident and other funds, associations, institutions or trusts and by providing or subscribing or contributing towards trusts and by providing or subscribing or contributing towards place of instruction and other attendance and other dispensaries, medical and other attends and other assistance as the Board shall think fit; and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the company, either by reason of locality of operation, or of public and general utility or otherwise.
 - (16) Before recommending any dividend, to set aside out of profits of the company such sums as they may think proper for depreciation or to Depreciation fund, or to an Insurance fund, or as a Reserve fund or sinking fund, or to any special fund to meet contingencies or to repay debentures or debenture stock, loan stock, or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any of the property of the company and for such other purpose(including the purpose referred to in the preceding clause),as the Board may in their absolute discretion, think conducive to the interest of the company, and subject to sections 292 and 372 of the Act, to invest the several sums so set aside or so much thereof as required to be invested. Upon such investments (other than shares of the company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the apply and In such manner and for such purposes at the Board in their absolute discretion, think conducive t the interest of the company, notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the company might rightly be applied or expended; and to divide the Reserve fund into such special funds as the Board may think fit, with full into such social funds as the Board may think fit, with full power to transfer the whole or any think fit, of a Reserve fund or division of a reserve fund to portion of a Reserve fund or division of a fund and with another full power to employ the assets constituting all or any of the above funds, including the Depreciation fund, in the business of the company or in the purchaser or repayment of debentures or debentures- stock, and without being bound to pay interest on the same, with power however to the Board at their discretion at such rate as the Board may think proper.
 - (17) To appoint, at their discretion remove or suspend such general managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary, or special services as they may from time to time think fit, and to determine their powers and duties,

- and fix their salaries or emoluments or remuneration and to require security in such amount as they may think fit, also instances and to such amount as they may they think fit, also without prejudice as aforesaid, from time to provide for the management and transaction of the affairs of the company in any specified locality in India or elsewhere in such manner as they think fit; and the provisions contained in the three next following sub-clause shall be without in the three next following sub-clause shall be without prejudice to the general powers conferred by this sub-clause.
- (18) From time to time and at any time to establish any local Board for managing any of the affairs of the company in any specified locality in India or elsewhere and to appoint any persons to be members of such local Board, and to fix their remuneration.
 - (19) Subject to the provisions of the Act, from time to time and at any time, to delegate to any such local Board, or any member or members thereof or any managers or agents so appointed any of the powers, authorities and Discretions for the time being vested in the board, and local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation under the preceding and this sub-clause may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annual or vary any such delegation.
 - (20) At any time to time by power of Attorney under the seal of the company, to appoint any persons to be the Attorney or Attorneys of the company, for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board, these presents and excluding the power to make calls and excluding also, except in the limits authorized by the Board, the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favor of the member or any of the members of any company or firm or otherwise in favor of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think attorneys as aforesaid to sub-delegate all or any of the powers, authorities and directions for the time being vested in them.
 - (21) Subject to section 294, 294 AA and 297 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the company as they may consider expedient.
 - (22) From time to make, vary and repeal bye- laws for the regulation of the business of the company, its officers and servants.
 - (23) To Insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the buildings, plant, machinery, vessels, goods, stores, produce and all other movable property of the company, either separately or co-jointly, and to assign, surrender or discontinue any policies of insurance affected in pursuance of this power.
 - (24) To open accounts within any bank or bankers or with any company, firm or individual and to pay money into and draw money from or otherwise operate any such account from time to time as they may think fit.
 - (25) To attach to any shares to be issued as the consideration or part consideration for any contract with or property acquired by the company or in payment for services rendered to the company, such conditions as to the transfer thereof as they think fit.
 - (26) Generally, from time to time and at time, to delegate (with or without powers of sub-delegations) all or any of the powers, authorities, discretions for the time being vested in the Directors to any employee of the company or to any other person, firm or body corporate or otherwise to any fluctuating body of persons.

MANAGEMENT

154. The company shall not appoint or employ at the same time more than one of the following categories of managerial personal namely:
 - (A) Managing Director and
 - (B) Manager.

THE SECRETARY

155. The Directors shall from time to time appoint a Secretary and at their discretion remove any such Secretary to perform any functions, which by the Act are to be performed by the

Secretary and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Director may also at any time appoint any person or persons (who need not be the Secretary) to keep the registers required to be kept by the Company.

156. (a) The Board shall provide a common seal for the purposes of the company, and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the Board shall provide for the safe custody of the seal for the time being, and the seal shall never be used except by the authority of the Board or a committee of the Board previously given.
(b) The company shall also be at liberty to have an official seal in accordance with section 50 of the Act, for use in any territory, district or place outside India.
157. Every deed or other instrument, to which the seal of the company is required to be affixed, shall, unless the same is executed by a duly constituted attorney, be signed by two Directors or one Directors and secretary or some other person appointed by the Board for the purposes; provided that in respect of the share certificate the seal shall be affixed in accordance with Articles 18(a).

DIVIDENDS

158. The profits of the company, subject to any special rights relating thereto created or authorized to be created by these Articles, and subject to the provisions to these Article, shall be divisible among the members in proportion to the amount of capital paid-up or credited as paid-up on the share held by them respectively.
159. The company in General meeting may declare dividends to be paid members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the company in General Meeting may declare a smaller dividend.
160. (1) No dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for the depreciation in accordance with the provisions of section 205 of the Act or out of the profits of the company for any previous financial year arrived at after providing and remaining undistributed or out of both.
Provided that:
 - (a) If the company has not provided for depreciation for any previous financial year or years it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year, or out of the profits of any other previous financial year or years.
 - (b) If the company has incurred any loss in any previous financial year or years the amount which is equal or years the amount provided for depreciation for that year or those years, whichever is less, shall be set off against the profits of the company for the year for which the dividend is proposed to be declared or paid or against the arrived at in company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of section (2) of section 205 of the Act or against both.
 - (2) Notwithstanding anything contained in sub-clause (1) hereof, no dividend shall be declared or paid by the company for any financial year out of the profits of the company for that year arrived at after providing for depreciation in accordance with the provisions of section 205 of the Act, except after the transfer to the reserves of the company of such percentage of its profits for that year, not exceeding ten percent, as may be prescribed. Provided that nothing in this sub-clause shall a higher percentage of its profits to be reserves in accordance with such rules as may be made by the central Government in this behalf.
 - (3) where, owing to inadequacy or absence of profits in any year, the company proposes to declare dividend out the accumulated profits earned by the company in previous years and transferred by it to the reserves, such declaration and dividend shall not be made except in accordance within such rules, as may be made by the central Government in this behalf, and, where any such declaration is not in accordance with such rules, such declaration shall not be made except with the previous approval of the central Government.
161. Subject to the provisions of the Act, the Board from time to time, pays to the members such interim dividend as in their judgment the positions of the company justifies.
162. Where capital is paid in advance of calls such capital may carry interest but shall not interest but shall not in respect thereof confer a right to dividend or participate in profits.
163. All dividends shall be apportioned and paid proportionately to the amounts paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such shall rank for dividend accordingly.

164. Subject to the provisions of the Act, Board may retain the dividends payable upon shares in respect of which any person is under Article 61 entitled to become a member or which any person under that Article is entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same.
165. Any one of several persons who are registered as the joint holders of any share may give effectual receipt for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such shares.
166. No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, while any money may be due or owing from him to be due or owing from him to the company in respect of such share or shares or otherwise, howsoever either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any member all sums of money so due from him to the company.
167. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
168. Where any instrument of transfer of shares has been delivered to the company for registration and the transfer of such shares has not been registered by the company, it shall:
 - (a) Transfer the dividend in relation to such shares to the special Account referred to in section 205 A of the Act unless the company is authorized by the registered holder of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer and
 - (b) Keep in abeyance in relation to such shares any offer of rights shares under clause (a) of sub-clause (1) of section 81 and any issue of fully paid-up bonus shares in pursuance of sub-section (3) of section 205 of the Act.
169. Unless otherwise directed, any directed any dividend may be paid by cheque or warrant or by pay slip or receipt having the force of the cheque or warrant sent through the post to the registered address of the member or person entitled or in case of joint holders to that on them first named in the Register of members in respect of joint-holdings. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The company pay slip or receipt lost in transmission, or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay slip or receipt lost in transmission, or person entitled thereto by the of any pay slip or receipt or to fraudulent recovery of the dividend by any other means.
170. Subject to the provisions of the Act, no unpaid dividend shall bear interest as against the company
171. (a) Where a dividend has been declared by the company but has not been paid or claimed within forty-two (42) days from the date of declaration to any shareholders entitled to the payment of the declaration to any shareholders entitled to the payment of the dividend, the company shall, within seven (7) days from the date of expiry of the said period of forty-two (42) days to a any special account to be opened by the company in that behalf in any scheduled bank, to be called "unpaid Dividend Account of MONEY MASTERS LEASING & FINANCE LIMITED".
(b) In sub-clause (a) of this Article the expression "dividend which remains unpaid" shall mean any dividend the warrant in respect whereof has not been encased or which has otherwise not been paid or claimed.
(c) Subject to provisions of section 205-A of the Act no unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.
172. The company in General meeting declaration a dividend may, on the recommendation of the Directors make a call the on the members of such amount as the meeting fixes but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as set the dividend, and the dividend may, if so arranged between the company and the member, be set off against the calls.

CAPITALISATION

173. The company in general meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the company standing to the Reserve fund, or any capital Redemption Reserve Account, or in the hands of company and available for dividend (or representing premium received on the share premium Account) be capitalized and distributed amongst such of the footing that they become entitled thereto as capital and that all or any resolution may provide, any unissued shares or debentures or debenture-stock of the company which shall uncalled liability on any issued shares or debentures or debenture-stock and that such distribution or payment shall be accepted by the such shareholders in full satisfaction of their interest in the said capitalized sum. Provided that a share premium Account and a capital

Redemption Reserve Account may, for the purpose of this Article, only be applied in the paying of any unissued shares to be issued to members of the company as fully paid bonus shares.

174. A general meeting may resolve that any surplus moneys arising from the realization of any capital assets of the company, or any investments are representing the same, or any other undistributed profits of the company not subject to charge for income-tax be distributed amongst the members on the footing that they receive the same as capital.
175. For the purpose of giving effect to any resolution under Articles 173 and 174 the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient, and in particular may issue fractional certificate, and may fix the value for distribution of any specific assets, and may determine that the value so fixed or that fraction of less value than Rs.10/- may be disregarded in order to adjust the rights of all parties, upon such may vest any such cash or specific assets in trustees upon such cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalized fund and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized, fund and such appointment shall be effective.

ACCOUNTS

176. (1) The company shall keep at the office or at such other place in India as the Board thinks fit, proper books of accounts in accordance with section 209 of the Act with respect to-
 - (a) all sums of money received and expended by the company and matters in respect of which the receipts and expenditure take place;
 - (b) all sales and purchases of goods by the company.
 - (c) The assets decide to keep all or any of the company.(2) Where the Board decides to keep all or any of the books of account at any place other than the office of the company, the company shall within seven days of the decision file with the Register a notice in writing giving the full address of that other place.
(3) The company shall preserve in good order the books of account relating to period of not less than eight years proceeding the current year together with the vouchers relevant to any entry in such books of account.
(4) where the company has a Branch office, whether in or outside India, the company shall be deemed to have complied with this Article if proper books of account relating to a period of not less than three months, are sent by the branch office to the company at its office or other place in India. At which the company's books of account are kept as aforesaid.
(5) The books of account shall give a true and fair view of the state of the company or branch office, as the case may be, and explain its transaction. The books of account and other books and papers shall be open to inspection by any Director business hours.
177. The board shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books of the company or any of them shall be open to the inspection of members not being Directors, and of any accounts or books or documents of the company except as conferred by law or authorized by the Board.
178. The Directors shall from time to time, in accordance with sections 210, 211, 216 and 217 of the Act, causes to be prepared and to be laid before the company in general meeting, such Balance sheets, profits and loss accounts and reports as are required by these sections.
179. A copy of every such profit and loss account and balance sheet (including Auditors Report and every other document required by law to be annexed or attached to the balance sheet) shall at least twenty-one days before the meeting of the company, to every before the members be sent to the members of the company, to every trustee for the holders of any debentures issued by the company, whether such member or trustee is or not entitled to have notices of General Meetings of the company sent to him, and to all persons other than such members or trustees being the persons so entitled, provided that the Board may if it deems fit instead of sending the said documents as aforesaid, make copies of the said documents available for inspection at the office of the company during working hours for a period of twenty-one days before the date of the meeting and sent less than fact, be deemed to have been duly sent if is so agreed by all the members debentures of a company and any person from whom the company has accepted a sum of money by way of deposit shall, on demand be the company and of every document required by law to be annexed thereto, including the profit and loss account and the auditors report.

AUDIT

180. Auditors shall be appointed and rights, duties their rights, duties and liabilities regulated in accordance with section 224 to 233 of the Act.
181. Subject to provisions of Article 182, every balance sheet and profit and loss Account of the company when audited and adopted by the company at an Annual General Meeting shall be conclusive except as regards any error discovered therein within three months next after the

approval thereof, the Balance sheet and profit and loss Account shall forthwith be corrected, and henceforth shall be conclusive.

182. The directors shall, if they consider it to be necessary and in the interest of the company, be entitled to amend the audited accounts of the company of any financial year which have been laid before the company in general meeting. The amendments to the accounts affected by the Directors in pursuance of this Article shall be placed before the members in General Meeting for their consideration and approval.

DOCUMENTS AND NOTICES

183. (1) A document or notice may be served or given by the company on any member either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India, supplied by him to the company for serving documents or notices on him.
(2) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a member has intimated to the company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the company a sum sufficient to defray the expenses of doing so, services of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and, such service shall be deemed to have been effected in the case of a notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case, at the time at which the letter would be delivered in the ordinary course of post.
184. A document or notice advertised in a newspaper circulating in the neighborhood of the office shall be deemed to be duly served or sent on the day on which the advertisement appears on or to every member who has no registered address in India and has not supplied to the company as address within India for the service of document on or the sending of notices to him.
185. A document or may be served or given by the company on or to the joint-holders of a share by a serving or giving the document or notice on or to the joint-holders named first in the Register of members in respect of the share.
186. A document or notice may be served or given by the company on or to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in repaid letter addressed to them by name or by the title of representatives of the deceased, or assignee of the insolvent or by any like description, at the address (if any) in India supplied for the purposes by the persons claiming to be entitled, or (until such as address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency has not occurred.
187. Documents or notices of every General Meeting shall be served or given in same manner herein before authorized on or to (a) every member, (b) every person entitled to a share in consequence of the death or insolvency of a member and (c) the Auditor or Auditors for the time being of the company.
188. Every person who, by operation of law transfer or other means whatsoever, shall become entitled to any share, shall be bound by every document or notice in respect of such share, which previously to his name and address being entered on the Register of members, shall have been duly served on or given to the person from whom he derives his title to such share.
189. Any document or notices to be served or given on or to the company or any officer thereof shall be served or given by sending it to the company or office by post under a certificate of posting or by registered post, or by leaving it at the office.
190. All documents or notices to be served or given by member on or to the company or any officer thereof shall be served or given by sending it to the company or officer at the office by the post under a certificate of posting or by leaving it at the office.

WINDING UP

191. The liquidator on any winding-up (whether voluntary, under supervision or compulsory) may, with sanction of a special Resolution, but subject to the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the company and may, with the like sanction, vest any part of the assets of the company in trustees upon such trusts for the benefit of the contributories, a the liquidators with like sanction shall think fit.

INDEMNITY AND RESPONSIBILITY

192. Every officer or agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in relation to the business of the company

in defending any proceedings whether civil or criminal in which judgment is given in his favor or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

193. Every officer or agent for the time being of the company shall be indemnified out of the assets of the company against all liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favor or in which he is acquitted or discharged or in connection with any application under section 633 of the Act in which relief is granted to him by the court.

INSPECTION OF REGISTERS ETC.

194. Where under any provisions of the Act any person, whether a member of the company or not, is entitled to inspect any register, return, certificate, deed, instrument or document required to be kept or maintained by the company, the person so entitled to inspection shall be permitted to inspect the same during business hours, for such periods not being less in the aggregate than two hours on each day as the Directors may determine.
195. (a) Every Director, manager, Auditor, Treasurer, member of a committee, officer, servant, Agent, Accountant or other person employed in the business of the company shall be required to sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the company with the customer and the state of the accounts with individuals and in matters relating thereto, and shall be such which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by may be necessary in order to comply relate and expect so far as may be necessary in order to comply with any of the provisions is these presents contained.
(b) No member shall be entitled to visit or inspect any works of the company without the permission of the Directors or to require discovery of or any information respecting any details of the company's trading, or any matter which is or may be in of the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the company and which in the opinion of the Directors, it would be inexpedient in the interest of the company to disclose.

SECTION XI- OTHER INFORMATION

MATERIAL CONTRACTS & DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of the Draft Prospectus) which are or may be deemed material have been entered or to be entered into by the Company. These contracts, copies of which have been attached to the copy of the Draft Prospectus will also be delivered to the Registrar of Companies, Maharashtra, Mumbai for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company, from 10.00 a.m. to 2.00 p.m. on working days from the date of the Draft Prospectus until the date of closure of the Issue.

A. Material Contracts:

1. Memorandum of Understanding dated May 27, 2013 between our Company and the Lead Manager.
2. Memorandum of Understanding dated November 15, 2012 between our Company and the Registrar to the Issue.
3. Banker to the Issue Agreement dated [•] between our Company, the Lead Manager, the Bankers to the Issue and Registrar to the Issue.
4. Market Making agreement dated May 24, 2013 between our Company, Lead Manager and Market Maker.
5. Underwriting Agreement dated [•] between our Company and the Lead Manager.

B. Documents for Inspection.

1. Certificate of Incorporation dated October 26, 1994 issued by the Registrar of Companies, Maharashtra to Money Masters Leasing & Finance Private Limited.
2. Fresh Certificate of Incorporation dated February 09, 1996 issued by the Registrar of Companies, Maharashtra, Bombay, pursuant to change of name of the Company to Money Masters Leasing & Finance Limited upon its conversion from a private limited company to a public limited company.
3. Memorandum and Articles of Association of the Company.
4. Tripartite agreement dated March 21, 2013, between NSDL, the Company and the Registrar to the Issue;
5. Tripartite agreement dated January 25, 2013, between CDSL, the Company and the Registrar to the Issue.
6. Copy of the resolution passed by the Board of Directors at their meeting held on October 25, 2012 approving the proposed public issue.
7. Copy of the special resolution passed pursuant to Section 81(1A) of the Companies Act, 1956 in the Extra-ordinary General Meeting of the Company held on November 20, 2012 approving the Initial Public Offering.
8. Copy of the Certificate dated May 22, 2013 from the M/s Bengali and Associates, Chartered Accountants regarding the sources and deployment of funds.
9. Consents of the Promoters, Directors, Lead Manager, Market Maker, Legal Advisor to the Issue, Registrar to the Issue, Statutory Auditors, Bankers to the Company, Bankers to the Issue, Refund Banker and Company Secretary & Compliance Officer to act in their respective capacities and for inclusion of their names in the Draft Prospectus.
10. Consent of the B. Rattan & Associates, Chartered Accountants, for inclusion of their examination reports on restated financial statements as at and for the years ended March 31, 2012, 2011, 2010, 2009 and 2008, and for the nine months period ended December 31, 2012 in the form and context in which they appear in the Draft Prospectus.

11. Examination Report issued by M/s B. Rattan & Associates, Chartered Accountants, dated January 20, 2013 in connection with the restated financial statements of our Company as at and for the years ended March 31, 2012, 2011, 2010, 2009 and 2008, and for the nine months period ended December 31, 2012, as included in the Draft Prospectus.
12. Certificate dated May 18, 2013 from M/s Sushil Lal & Associates, Chartered Accountants, regarding the Statement of Tax Benefits.
13. Annual Reports of the Company for the last five Financial Years.
14. Due Diligence certificate dated [•] to submitted by the Lead Managers to SEBI along with the Prospectus.
15. Copy of approval from BSE vide letter dated [•] to use the name of BSE in this Offer Document for listing of Equity Shares on the SME Platform of the BSE.

Any of the contracts or documents mentioned in the Draft Prospectus may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We certify that all the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the Regulations issued by Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules made there under or guidelines/regulations issued, as the case may be. And that all approvals and permissions required to carry on the business of our Company have been obtained, are currently valid and have been complied with. We further certify that all the statements in this Draft Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF THE COMPANY

HOZEF ABDULHUSSAIN DARUKHANAWALA

Managing Director

DURRIYA HOZEFA DARUKHANAWALA

Director

NATHMAL GOKULDAS LOHIA

Non Executive and Independent Director

SADHANA NATHMAL LOHIA

Non Executive and Independent Director

MINAKSHI MUCHHAL

Company Secretary and Compliance Officer

Place: Mumbai

Date: June 06, 2013