



Capital Benefits™

JRG SECURITIES LIMITED

(Formerly known as JRG Associates Private Limited)

(The Company was incorporated as JRG Associates Private Limited on 17/10/1994 under the provisions of Companies Act, 1956. The Company had changed the name from JRG Associates Private Limited to JRG Securities Private Limited under section 21 of the Companies Act 1956 on 26/08/2003. The Company was converted from a Private Limited Company to a Public Limited Company under the provisions of The Companies Act, 1956 on 22/09/2003).

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PUBLIC ISSUE OF 36,25,000 EQUITY SHARES OF RS. 10/- EACH AT A PREMIUM OF RS. 30/- PER SHARE (I.E.. AT A PRICE OF RS. 40/- PER SHARE) AGGREGATING TO RS. 1450 LACS.
The issue price of Rs. 40/- per equity share is four (4) times the face value

RISK IN RELATION TO THE FIRST ISSUE TO THE PUBLIC

This being the first issue of Equity Shares of JRG Securities Limited, there has been no formal market for the securities of the Company. The face value of the shares is Rs. 10/- per share and the issue price is four times the face value. The issue price (as has been determined and justified by the Lead Manager and JRG Securities Limited as stated herein under the paragraph Basis of Issue Price) should not be taken to be indicative of the market price of the equity shares after the shares are listed. No assurance can be given regarding an active or sustained trading in the shares of the Company nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue 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 the adequacy of this document.

The attention of investors is drawn to the statement of Risk Factors appearing on page nos. vii to xi of this Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares of the Company are proposed to be listed on Bombay Stock Exchange Ltd (BSE) (The Designated Stock Exchange). The Company has received in-principle approval from BSE vide its letter no. List/sm/jc/2006 dated 06/01/2006 for listing of the Equity Shares being issued in terms of this prospectus.

LEAD MANAGER TO THE ISSUE

KEYNOTE

CORPORATE SERVICES LTD.

KEYNOTE CORPORATE SERVICES LTD.

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SEBI Regn. No.: INM 000003606
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REGISTRAR TO THE ISSUE



BIGSHARE SERVICES PVT. LTD.

E/2, Ansa Industrial Estate,
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DEFINITIONS/ABBREVIATIONS

CONVENTIONAL / GENERAL TERMS

Act	:	The Companies Act, 1956 & subsequent amendments thereto.
AMC	:	Asset Management Company
Articles	:	Articles of Association of JRG Securities Limited
Board	:	Board of Directors of JRG Securities Limited
BSE/Designated Stock Exchange	:	Bombay Stock Exchange Ltd.
Company/JRG	:	JRG Securities Limited
Depositories Act	:	The Depositories Act, 1996 as amended from time to time
Depository	:	A Depository registered with SEBI under the SEBI (Depositories & Participant) Regulations, 1996 as amended from time to time
Memorandum	:	Memorandum of Association of JRG Securities Limited
IPO/Offer/Issue	:	This Public Issue of 36,25,000 equity shares of Rs. 10/- each for cash at a price of Rs. 40/- per share aggregating to Rs. 1450 lacs.
Prospectus	:	This Prospectus
Retail Individual Investor	:	Means an investor who applies for securities for a value of not more than Rs. 1,00,000/-.
SEBI Guidelines	:	Means the extant Guidelines for Disclosure and Investor Protection issued by Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992 (as amended), called Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000.

ABBREVIATIONS

CDSL	:	Central Depository Services (India) Limited
CLB	:	Company Law Board
MCA	:	Ministry of Company Affairs
DP	:	Depository Participant
EPS	:	Earning Per Share (EPS = Profit After Tax/No. of equity shares)
FCNR Account	:	Foreign Currency Non Resident Account
FDI	:	Foreign Direct Investment
FEMA	:	The Foreign Exchange Management Act, 1999
FERA	:	Foreign Exchange Regulation Act, 1973
FI	:	Financial Institution
FII (s)	:	Foreign Institutional Investors registered with SEBI under applicable laws.
HUF	:	Hindu Undivided Family
NA	:	Not Applicable
NCR	:	National Capital Region, includes Delhi and the satellite towns of Gurgaon, Noida, Ghaziabad and Faridabad
NRE	:	Non-Resident External
NRI	:	Non-Resident Indian.
NRO Account	:	Non Resident Ordinary Account
NSDL	:	National Securities Depository Ltd.
NSE	:	National Stock Exchange of India Limited
PAN	:	Permanent Account Number
RBI	:	Reserve Bank of India
ROC	:	Registrar of Companies, Kerala
ROCE	:	Return on Capital Employed{ROCE = (Profit before Interest and Tax/Capital Employed)*100}
ROE	:	Return on Equity {ROE=Profit After Tax/Equity Capital}*100}
RONW	:	Return on Networth {RONW = Profit After Tax/Networth}*100}
RTA	:	Registrar & Transfer Agent
SEBI	:	Securities and Exchange Board of India
U.A.E.	:	United Arab Emirates



COMPANY/INDUSTRY RELATED TERMS

AMFI	:	Association of Mutual Funds of India
ARFMA	:	AMFI Registered Mutual Fund Advisor
CMIE	:	Centre for Monitoring the Indian Economy
CSE	:	Cochin Stock Exchange
DGCX	:	Dubai Gold and Commodity Exchange
DMCC	:	Dubai Metals and Commodities Centre
ETIG	:	Economic Times Intelligence Group
F&O	:	Futures & Options
FTIL	:	Financial Technologies India Limited
IPSTA	:	Indian Pepper and Spice Trade Association, Kochi
IRDA	:	Insurance Regulatory and Development Authority
MAPIN	:	Market Participant and Investor Database
MCX	:	Multi-Commodity Exchange
NBFC	:	Non-Banking Finance Companies
NCDEX	:	National Commodities and Derivatives Exchange Limited
NCFM	:	NSE's Certification in Financial Markets
NMCE	:	National Multi-Commodity Exchange
VSAT	:	Very Small Aperture Terminal

SECTION I- RISK FACTORS

CERTAIN CONVENTIONS; USE OF MARKET DATA

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

Throughout this Prospectus, all figures have been expressed in Lacs or Crores. Unless otherwise stated all references to “India” contained in this Prospectus are to the Republic of India.

For additional definitions used in this Prospectus, see the section “Definitions and Abbreviations” on page iii of this Prospectus. In the section entitled “Main Provisions of Articles of Association” commencing on page 93 of this Prospectus, defined terms have the meaning given to such terms in the Articles of Association of the Company. Industry data used throughout this Prospectus has been obtained from industry publications and other authenticated published data. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe industry data used in this Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

CURRENCY OF PRESENTATION

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



FORWARD-LOOKING STATEMENTS

This Prospectus contains 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” or other words or phrases of similar import. Similarly, statements that describe the objectives, plans or goals also are forward-looking statements.

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

- General economic and business conditions in India;
- The ability to successfully implement the strategy, growth and expansion plans and technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in the Indian and international interest rates;
- Changes in laws and regulations that apply to the customers of the Company and the financial services industry;
- Increasing competition in and the conditions of the customers of the Company and the financial services industry; and
- Changes in political conditions in India.

For further discussion of factors that could cause actual results to differ, please see the section entitled “Risk Factors” beginning on page vii of this Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither the Company, the Directors, any member of the Lead Manager team nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

RISK FACTORS

RISK FACTORS ENVISAGED BY MANAGEMENT

An investment in Equity shares involves a high degree of risk. The investors should consider the following risk factors together with all other information included in this Letter of Offer carefully, in evaluating the Company and its business before making any investment decision. Any projections, forecasts and estimates contained herein are forward looking statements that involve risks and uncertainties. Such statements use forward looking terminology like “may”, “believes”, “will”, “expect”, “anticipate”, “estimate”, “plan” or other similar words. The Company’s actual results could differ from those anticipated in these forward looking statements as a result of certain factors including those, which are set forth in the “Risk Factors” below. 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.

The Letter of Offer also includes statistical data regarding the Indian Capital Markets. This data has been obtained from industry publications, reports and other sources that the Company and the Lead Manager believes to be reliable. Neither the Company nor the Lead Manager has independently verified such data. Unless specified or quantified in the relevant risk factors below, the financial or other implications of any of the risks described in this section cannot be quantified. The management’s proposal to address the risks has been enumerated wherever applicable.

Note: JRG Securities Limited is part of the JRG group of companies which also includes JRG Wealth Management Limited, JRG Insurance Broking Private Limited and JRG Stock & Shares Private Limited. JRG Securities Limited is engaged in the business of stock broking and investment advisory and holds 51.89 % stake in JRG Wealth Management Limited which is engaged in commodities broking. JRG Insurance Broking Private Limited is a wholly owned subsidiary of JRG Wealth Management Limited and is an IRDA registered direct insurance broker for life and non life insurance products. JRG Stocks and Shares Private Limited is a separate group company engaged in the business of distribution of financial products such as Mutual Funds. Certain discussions contained in this section on Risk Factors pertain to the businesses of all the group companies taken together.

A. INTERNAL TO THE COMPANY

1. Litigations

There are no litigations pending against the Company / its Subsidiaries / Promoter / Directors and Group companies. For details of cases filed by the Company please refer to the details of this mentioned on page 72 of this prospectus.

2. Contingent liabilities

We have guarantees issued by banks amounting to Rs. 9,75,00,000/- as on 31/12/2005 which have not been provided for.

3. Group Company losses

JRG Insurance Broking Pvt. Ltd., a wholly owned subsidiary of JRG Wealth Management Ltd., which is a 51.89% subsidiary of our company, registered a Net Loss of Rs. 0.26 lacs during the financial year 2002-2003 and Net Loss of Rs. 19.94 lacs during the financial year 2003-2004. Subsequently JRG Insurance Broking Pvt. Ltd. registered a Net Profit after Tax of Rs. 2.79 lacs in the financial year 2004-2005.

4. The promoters of JRG Securities Limited have been allotted 10,50,000 equity shares at par on 28/10/2005.

5. The project is being fully funded by the proceeds of the Public Issue.

The expansion is funded entirely from the funds raised through the present public issue and any delay in the coming out with the public issue will adversely impact the project of the Company and in turn its profitability.

6. Utilization of funds may not be in productive assets

Utilization of part of the issue proceeds may not be in productive assets which may not result in returns for the Company in the short or medium term.

7. Our business is dependent on trading activity by our clients, which could be affected by market fluctuations.

We will be affected by adverse economic and political conditions, broad trends in business and financial changes in volumes and price levels of securities and other factors that affect the volume of stock and commodities trading in India and the level of interest in Indian business developments. In recent years, the Indian and world securities markets have fluctuated considerably and a downturn in these markets could adversely affect our operating results. Also when markets are highly volatile, we run the risk of bad debts and losses and also litigations. Reduced trading volumes and prices have historically resulted in reduced transaction revenues for brokerage, which affects our profitability adversely because our overheads are substantially fixed. Severe market fluctuations or decrease in equity prices which result in decreased trading activity could have an adverse effect on our business, financial condition and operating results.

8. Intrusions and breaches into the security of our I.T. infrastructure could damage our reputation and result in a liability to us.

We maintain databases of confidential customer information on our internal network. Our facilities and infrastructure must remain secure to prevent leakages of this information outside our network. We have implemented best practices in the security of our I.T. infrastructure. But despite our best efforts, no system is foolproof and our infrastructure may be vulnerable to physical break-ins, computer viruses, programming errors or similar disruptive problems. If our security measures are circumvented, the security of confidential and proprietary information stored on our systems could be jeopardized, or our operations could be interrupted. A material security breach could damage our reputation or result in liability to us, and we do not carry insurance that protects us from this kind of loss.

9. Our management team is a key component in the successful culmination of the business strategies of our company.

Our company has a core team of professionals who form the management team, which oversees the operations and growth of our businesses. Loss of our senior management and key managerial personnel could adversely affect our business. Failure to attract and retain skilled manpower could also adversely affect our business, financial condition and results of operations. Further, any increase in our attrition rates, would adversely affect our growth plans.

10. Our business will be adversely affected if the expansion strategy is not implemented successfully

Our company has registered rapid growth over the past two years and the continuing improvement in the financial health of the company is dependent on the successful implementation of our expansion strategy within India and in the U.A.E. Any stumbling blocks that we come across in our strategy could derail our efforts and impede the business prospects of our company.

11. We have not yet placed any orders for the equipment and software proposed to be purchased from the proceeds of this issue

We propose to deploy Rs. 160 lacs towards technological upgradation of our I.T. infrastructure and procurement of software licenses. We have received quotations for the relevant equipment and licenses but we have not yet placed orders for the same. Any delay in procurement of the requisite hardware and software will lead to a delay in the expansion of our activities.

12. Our expansion plan includes the establishment of 30 new regional offices across India. The premises for the same have not yet been finalized.

We propose to establish 30 new regional offices in various locations across India. We have identified the cities and towns in which we propose to open the regional offices and have scouted optional locations for leasing the required space in several of the identified cities. But we have not yet finalized any of the locations. Delay in securing the required leases could lead to a delay and / or cost overrun in our expansion plans.

13. Our business is dependent on continuing relationships with existing clients

The business of stock broking is very customer driven. The majority of our client base is retail in nature. We have 21,350 clients across the country. The business from our clients is dependent on not only economic considerations but on healthy and cordial relations of our management and employees with our clients. We have to continue to keep contact with each of our clients and keep track of their portfolios. Any adverse situation with one or more of our clients could result in the discontinuation of their business relationship with us and could cause additional clients to also discontinue their business relationships with us. This could adversely affect our business.

14. Post issue the promoters will hold a majority stake in the company

Post Public Issue, the promoters will be the majority stakeholders in the company. This will result in them having a majority vote on key decisions to be taken by the management of the company. We may be unable to implement programmes and strategies which may be beneficial to the company on account of a difference of opinion between the promoters and the management on several key issues pertaining to the operations of the company, which could have an adverse effect on the future condition of the company.

15. Order input errors

Some of our clients place orders over the phone. We face the risk of making errors while inputting the orders due to misunderstanding of instructions or poor quality of the phone connection. This may lead to losses for our clients, who may choose to cease their relationships with us, leading to a loss of business.

16. Derivatives trading by clients is generally of a higher risk and we may face losses on account of inadequate risk management policies and systems.

We offer clients the facility to trade in derivative instruments in the Indian securities and commodities market as is currently permitted in India. Trading in derivative instruments involves taking leveraged positions on the underlying assets. This aspect of the nature of derivatives trading makes it riskier as compared to the other financial instruments. As such, investors and the market intermediaries are exposed to a greater risk in dealing with such instruments. We deal in such instruments on behalf of our clients and may face financial losses if we fail to manage prudently the risk of our clients' dealing in derivative instruments.

17. Our project has not been appraised.

Our project has not been appraised by any appraisal agency or bank. The expenditures mentioned for each aspect of the project are estimates prepared by the management team of our company, and as such, may not be absolutely accurate. Thus there may be cost overruns on account of underestimation of project expenditure of some aspects of the project. This could adversely affect the time schedule of the project implementation thereby affecting our profitability.

18. There is no agency to monitor the utilization of the proceeds of the issue.

The utilization of the proceeds of the issue will not be monitored by any monitoring agency. The utilization of the proceeds of the issue will be as per the discretion of the promoters and management of the company.

19. Rapid growth in our company and business may require us to issue fresh equity which may lead to dilution of equity and may affect the market price of our equity shares.

Our growth is dependent on having a strong balance sheet to support our activities and satisfy the financial requirements of the various exchanges and regulatory authorities. Changing business conditions may require us to raise additional capital to finance the growth of our business beyond what our current balance sheet could sustain. Any fresh issue of shares/convertible securities would dilute existing holders, and such issuance may not be done at terms and conditions, which are favorable to the then existing investors or us.

B. EXTERNAL RISK FACTORS**1. Changes in legislation in the U.A.E. could adversely affect our prospects in Dubai.**

We propose to launch capital market operations in the U.A.E. wherein, we will be engaged in commodities trading on the DGCX and stock trading on the Indian stock exchanges through respective subsidiaries to be formed in Dubai. As such our operations in Dubai are subject to the laws and regulations of the U.A.E. and could be adversely affected by an any change in relevant governing laws and regulations. Any change in regulatory requirements such as an increase in minimum required networth of trading members, change in required ownership structure of our subsidiary company in Dubai, increase in deposits required to be maintained, etc. could adversely affect our business in the U.A.E. and consequently have an adverse impact on the finances of our company.

2. Substantial competition could harm our financial performance.

We face substantial competition in each of the markets we serve. Retail brokerage is a highly competitive field and we expect increased competition in the online brokerage arena as the industry develops. We believe that commodity brokerage will grow from current levels and this growth will attract new competition. The market for retail distribution of personal financial products has witnessed extensive growth and is currently highly competitive with a large number of players of different sizes active in this industry. We believe that our pioneering efforts in mobile phone trading of commodities will, in future, attract a lot of competition as the number of mobile phone users grows in the country and if the adoption of our service is high. We expect that competition in each of the markets we operate in will continue, grow and intensify in the future. An increase in competition and number of competitors could adversely impact our margins, market share and consequently our profitability.

3. Online trading is an increasingly competitive market.

With the spread of I.T. literacy and the increasing adoption of computers and internet usage in households and businesses, internet trading is being adopted by people as a fast and convenient way of trading in securities. We believe that the potential of the online trading industry will attract many competitors such as banks, insurance companies, providers of online financial and information services and others, as the industry develops. Increase in competition in online trading may require us to reduce our operating margins to remain competitive with other offerings. It could also result in loss of market share thereby affecting our revenue source.

4. Persistent political instability in our country could lead to market shocks which could adversely affect our business

The government of the country is a coalition government and this scenario has been in existence for the past two regimes. By its very nature, a coalition government is not as stable as a single party government due to the possibility of conflicts between the parties in the coalition. As witnessed by the events of May 2004, the unexpected defeat of the ruling coalition government led to a severe downward reaction in the stock markets. Similarly other political events such as withdrawal of support to the coalition by one or more of its members, opposition to reforms, defection of members, etc. could lead to a negative reaction in the markets. Such events could cause financial losses to our clients leading to defaults on pay-ins, thereby affecting our business and profitability. Additionally political instability could result in decreased involvement by FIIs and other institutional investors in the Indian markets leading to lower trading volumes and consequently lower trading by our clients.

5. Low penetration of I.T. in India.

Personal computers have very low penetration rates in India as compared to other developed and some developing countries. This has led to very low adoption and access levels of the Internet in India. There is no guarantee or assurance that the penetration levels of computers or access to the internet will increase in India. This limits the market size and potential for our online trading and mobile trading services.

NOTES:

1.

Preissue Networth (as on 31/03/2005)	:	Rs. 362.71 lacs
Preissue Networth (six nine months period ended on 31/12/2005)	:	Rs. 1025.09 lacs
Post Issue Networth	:	Rs. 2475.09 lacs
Issue Size	:	Public Issue of 36,25,000 equity shares of Rs. 10/- each for cash at a premium of Rs.30/- per share aggregating to Rs. 1450 lacs.
Cost per share to the promoter	:	Rs. 7.62
Net Asset Value per share as on 31/12/2005 (Face Value Rs. 10/- per share)	:	Rs. 11.18

3. The company, its directors, company's associates or group companies have not been prohibited from accessing the capital market under any order or direction passed by SEBI. The promoters, their relatives, issuer, group companies, associate companies are not detained as willful defaulters by RBI/Government authorities and there are no violations of securities laws committed in the past or pending against them.
4. For related party transactions, please refer to the section entitled "Related Party Disclosures" beginning on page no. 65 of this Prospectus.
5. The Company changed its name from JRG Associates Private Limited to JRG Securities Private Limited on 26/08/2003 in order to better reflect its nature of business.
6. Investors are advised to refer to the paragraph entitled "Basis for Issue Price" beginning on page no. 21 of this prospectus before making an investment in this Issue.
7. The Lead Manager and the Company shall update this Prospectus and keep the shareholders/public informed of any material changes till the listing and trading commencement.



PART I

SECTION II: INTRODUCTION

SUMMARY

You should read the following summary with the Risk Factors and the more detailed information about the Company and their financial statements included in this Prospectus

COMPANY OVERVIEW

We carry out the business of broking on the Indian equity and commodity markets, distribution of financial products including mutual funds and direct broking of life and non-life insurance. The activity of equity broking is carried out by the parent company, i.e. JRG Securities Ltd., while the other activities are carried out in our separate subsidiary and group companies, as outlined in our corporate structure. Each of the companies is managed like a Strategic Business Unit [SBU].

Our company is promoted by Mr. Jiji Antony, Mr. Regi Jacob and Mr. Giby Mathew. We are headquartered in Kochi, Kerala.

As part of our capital market operations we offer several services such as internet and phone based trading, depository services and fund management. We also offer commodity trading on the leading exchanges in India such as the MCX, NMCE, NCDEX and IPSTA through our subsidiary JRG Wealth Management Limited.

Under our Mutual Fund operations, we are empanelled with the top ten mutual fund houses in India and also offer personalized portfolio management and financial advisory services to clients.

Our Insurance broking operations done by our subsidiary JRG Insurance Broking Private Limited offers insurance products to customers in both the life and non-life/general segments. We are an IRDA registered insurance broker and offer insurance products from all the insurance companies in India.

BACKGROUND AND EVOLUTION

Our origin was in the form of a partnership firm founded in 1992 by Mr. Jiji Antony, Mr. Regi Jacob and Mr. Giby Mathew. The name of the firm reflects the initials of the first names of the three founders. The firm was converted into a private limited company in October 1994 as JRG Associates Pvt. Ltd. and became a member of the Cochin Stock Exchange Ltd. In 1999, we acquired membership of the NSE and in March 2005, we became a member of the BSE.

The company's name was changed to JRG Securities Pvt. Ltd. in August 2003 in order to accurately reflect the business focus of the company. The following month, the company was converted into a public limited company. Currently, we are members of the BSE, NSE, CSE and a DP of the NSDL.

We have a 51.89% holding in JRG Wealth Management Ltd. which has memberships on the premier commodity exchanges of the country viz. National Multi Commodity Exchange of India Ltd (NMCE), Multi Commodity Exchange of India Ltd (MCX), National Commodity and Derivatives Exchange Ltd (NCDEX), and India Pepper and Spice Trade Association (IPSTA).

JRG Insurance Broking (P) Ltd., a 100% subsidiary of JRG Wealth Management Ltd., functions as Direct Insurance Broker. It has obtained the requisite licence from the IRDA, for broking both life and non-life insurance products.

JRG Stocks and Shares (P) Ltd. is a group company engaged in the distribution of Mutual Funds. It was started in 1998 and is empanelled with the leading mutual fund houses operating in India.

Our Competitive Advantages

➤ Large client base

We have a substantial base of 21,350 retail clients in India. A large proportion of this base is comprised of clients from the four southern states - Kerala, Tamil Nadu, Karnataka and Andhra Pradesh. With the expansion of our reach in the Northern and Western states of India through our network of regional offices and trading centres, we are witnessing an increasing proportion of new business originating from states other than the southern states.

➤ Country-wide presence through a network of 310 trading centres. In addition we have offshoot operations in the Middle East.

We have put in place extensive initiatives to expand our reach throughout India. The establishment of trading centres in key locations in South India and in Mumbai city has enabled us to rapidly establish our presence throughout the South Indian states as well as cities in North and West India. Today, our network is 310 strong and growing. We also have a consultancy arm in the U.A.E. which is being converted into our wholly owned subsidiary under our project plans.

➤ Memberships of all the major equity and commodity exchanges of the country

We are members on all the premier equity, derivative and commodity exchanges in the country. Thus we can offer our clients, trading facilities in these investment classes under one roof.

➤ Team of qualified employees backed by full fledged in house training

We recruit and train qualified people after in-depth interviews and tests. In order to ensure that our employees are up to date with the latest practices in broking and technology, our employees undergo regular in-house training to update skills and knowledge.

➤ Extensive range of methods to conduct trades

In addition to phone based trading, we offer online internet trading to our clients for trading on the equity and commodity exchanges. In addition, we have a new service developed in association with Nokia and Financial Technologies India Ltd., named "Mtrade". Mtrade is a mobile commodity trading application developed using "iWin" technology from FTIL. Using Mtrade our clients can trade on the commodity exchanges in real time using their Nokia mobile phones. This service gives us a competitive edge over our competition in the industry.

➤ Deployment of latest technological infrastructure to provide scalability, reliability and enhanced feature set.

Connectivity between all our regional offices is maintained through our own private VSAT and NSE's VSAT networks and dial up facilities are used by our trading centres. We are in the process of deploying modern servers and desktops across all our branches in order to ensure that all our critical processes are carried out without any bottlenecks. We use the ODIN platform from FTIL for our commodity trading requirements.

➤ One Stop Shop for a wide range financial products

We offer a wide range of financial products and services to our clients. Right from stock trading to insurance to mutual funds to financial advisory, our clients can avail of all types of investment services from our offices. Thus they do not have to look elsewhere for satisfying their investment needs.

➤ No proprietary trading

Our company strictly follows a policy of not allowing proprietary trades to be conducted by its employees and management. Thus our team can advise clients on the best options for them without any bias creeping into their judgement. This avoids any possibility of conflicts of interest arising due to vested interest in certain assets classes or securities.



STATEMENT OF PROFITS AND LOSSES

(Rs. in lacs)

	Year ended 31/03/2001	Year ended 31/03/2002	Year ended 31/03/2003	Year ended 31/03/2004	Year ended 31/03/2005	Nine months ended 31/12/2005
Income						
Operations:						
a) Income from Stock Broking	214.74	182.09	241.42	623.41	978.81	1112.58
b) Income from DP services	-	-	2.23	9.92	7.35	22.22
Dividend from Subsidiary	-	-	-	4.71	8.67	-
Interest	-	-	3.51	3.23	9.81	17.40
Other Income	12.43	20.11	-	-	-	-
Total (A)	227.17	202.20	247.16	641.27	1004.64	1152.20
Expenditure						
Trading Expenses	17.59	30.26	128.42	369.00	444.90	609.95
Employee Remuneration & Benefits	18.67	36.73	41.48	60.24	115.19	140.12
Administrative Expenses	85.43	75.75	90.97	142.78	139.46	166.22
Interest & Financial Expenses	15.61	27.76	23.06	25.26	26.31	23.51
Depreciation	10.70	20.80	25.57	28.96	22.71	21.81
Intangible Assets w/off	-	-	-	-	23.24	19.25
Total (B)	148.00	191.30	309.50	626.24	771.81	980.88
Net Profit before tax	79.17	10.9	(62.34)	15.03	232.83	171.32
Provision for taxation :						
-Current	12.50	0.75	-	1.25	43.50	43.92
-Deferred	-	-	(22.17)	4.39	41.39	20.02
Profit after taxation	66.67	10.15	(40.17)	9.39	147.94	107.38
Intangible Assets written of relating to earlier years -	-	-	-	(18.15)	-	-
Reduction in Deferred Tax Liability	-	-	(23.78)	-	6.11	-
Brought Forward Profits	6.72	63.74	70.74	6.79	3.74	114.71
Profits available for Appropriation	73.39	73.89	6.79	16.18	139.64	222.09
Appropriation :-						
Proposed Dividend	(7.87)	(3.15)	-	(11.03)	(22.05)	-
Corporate Tax on Dividend	(1.78)	-	-	(1.41)	(2.88)	-
Less: Capitalized during the period	-	-	-	-	-	113.50
Profit and Loss Account Balance	63.74	70.74	6.79	3.74	114.71	108.59

Note: For notes on accounts, please refer auditors report under the section on financial information.

STATEMENT OF PROFITS AND LOSSES [CONSOLIDATED]
(Rs. in lacs)

	* Year ended 31/03/2005	* Nine months ended 31/12/2005
Income		
Operations:		
a) Income from Stock Broking	978.81	1112.57
b) Income from DP services	7.35	22.22
c) Commodity Broking	531.07	573.56
d) Insurance Commission	47.67	45.07
Dividend from Subsidiary	8.67	-
Interest	9.81	32.32
Other Income	-	-
Total (A)	1593.51	1785.74
Expenditure		
Trading Expenses	800.32	929.96
Employee Remuneration & Benefits	127.76	148.75
Administrative Expenses	294.93	375.25
Interest & Financial Expenses	28.56	44.03
Depreciation	32.35	33.72
Intangible Assets w/off	23.24	23.97
Total (B)	1307.16	1555.67
Net Profit before tax	286.35	230.07
Provision for taxation :		
– Current	60.17	51.92
– Deferred	48.67	31.84
Profit after taxation	177.51	146.31
Intangible Assets written of relating to earlier years	(18.15)	-
Reduction in Deferred Tax Liability	6.11	-
Brought Forward Profits	(8.82)	117.37
Profits available for Appropriation	156.65	263.68
Appropriation :-		
Proposed Dividend	(31.38)	-
Corporate Tax on Dividend	(5.23)	-
Capital Reserve on consolidation	5.51	(0.25)
Minority interest in share of profit	(8.18)	(16.22)
Profit and Loss Account Balance	117.37	247.21

*** Consolidated Figures**

STATEMENT OF ASSETS AND LIABILITIES
(Rs. in lacs)

	Year ended 31/03/2001	Year ended 31/03/2002	Year ended 31/03/2003	Year ended 31/03/2004	Year ended 31/03/2005	Nine months ended 31/12/2005
A Fixed Assets :						
Gross Block	185.82	208.67	232.76	273.52	307.07	538.96
Less : Depreciation	15.24	36.04	61.62	90.55	84.08	195.71
Net Block	170.58	172.63	171.14	182.97	222.99	343.25
Less : Revaluation Reserve						
Net Block after adjustment for Revaluation Reserve	170.58	172.63	171.14	182.97	222.99	343.25
B Current Assets, Loans and Advances :						
Stock-in-trade	1.42	2.05	9.95	-	-	-
Sundry Debtors	91.27	164.21	162.23	401.87	670.72	1155.68
Cash and Bank Balances	9.20	16.75	37.63	175.77	483.70	660.72
Interest Accrued on Deposits	3.53	4.07	3.10	-	-	-
Other Current Assets	0.66	23.17	24.35	3.34	48.65	62.59
Loans and Advances:	51.06	74.26	65.88	56.97	105.92	108.77
Deposits	300.68	232.33	167.08	240.79	322.84	493.57
	457.82	516.84	470.22	878.74	1631.83	2481.33
C Investments	12.05	12.64	12.16	61.33	61.53	64.71
D Liabilities & Provisions :						
Secured Loans	90.20	85.95	93.15	99.16	82.46	0.00
Unsecured Loans	-	-	-	-	-	-
Deferred Tax Liability	-	-	1.61	6.00	41.29	61.32
Current Liabilities	301.57	360.45	303.98	766.13	1429.89	1802.88
Networth	248.68	255.71	254.78	251.75	362.71	1025.09
E Networth Represented by						
1. Share Capital	157.50	157.50	220.50	220.50	220.50	916.50
2. Reserves	91.23	98.24	34.29	31.25	142.21	108.59
Less : Revaluation Reserve	-	-	-	-	-	-
Miscellaneous Expenditure (to the extent not written off or adjusted)	0.05	0.03	0.01	0.00	0.00	0.00
Networth	248.68	255.71	254.78	251.75	362.71	1025.09

STATEMENT OF ASSETS AND LIABILITIES [CONSOLIDATED]
(Rs. In lacs)

	* Year ended 31/03/2005	* Nine months ended 31/12/2005
A Fixed Assets :		
Gross Block	447.58	788.58
Less : Depreciation	108.78	237.07
Net Block	338.80	551.51
Less : Revaluation Reserve		
Net Block after adjustment for Revaluation Reserve	338.80	551.51
B Current Assets, Loans and Advances :		
Stock-in-trade	-	-
Sundry Debtors	958.24	1643.56
Cash and Bank Balances	611.01	873.72
Interest Accrued on Deposits	-	-
Other Current Assets	49.53	64.06
Loans and Advances	116.63	143.08
Deposits	1038.90	1139.23
	2774.31	3863.65
C Investments	9.00	9.00
D Liabilities & Provisions :		
Secured Loans	106.21	0.00
Unsecured Loans	11.19	2.83
Deferred Tax Liability	42.08	73.92
Current Liabilities	2516.63	3203.29
Networth	446.00	1144.12
E Networth Represented by		
1. Share Capital	220.50	916.50
2. Reserves	154.10	141.36
Less : Revaluation Reserve	-	-
Miscellaneous Expenditure (to the extent not written off or adjusted)	0.00	0.00
Minority Interest	71.40	86.26
Networth	446.00	1144.12

*** Consolidated figures**



THE ISSUE

Type of Issue	Type of Instrument	No. of equity shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration
Public Issue	Equity Shares	36,25,000	10.00	40.00	Cash

ISSUE BREAK-UP

Equity Shares offered	36,25,000 Equity Shares
Reserved for allotment to NRI's	4,27,500 Equity Shares
Net offer to the public including private corporate bodies	31,97,500 Equity Shares
Equity shares outstanding prior to the Issue	91,65,000 Equity Shares
Equity shares outstanding after the issue	1,27,90,000 Equity Shares

Use of proceeds:

Please see section entitled "Objects of the Issue" on page no. 17 of this Prospectus

ISSUE PROGRAM

OFFER OPENS ON	MONDAY, APRIL 17, 2006
OFFER CLOSES ON	FRIDAY, APRIL 21, 2006



GENERAL INFORMATION

JRG SECURITIES LIMITED

(Formerly known as JRG Associates Private Limited)

(The Company was incorporated as JRG Associates Private Limited on 17/10/1994 under the provisions of Companies Act, 1956. The Company had changed its name from JRG Associates Private Limited to JRG Securities Private Limited under section 21 of the Companies Act 1956 on 26/08/2003. The Company was converted from Private Limited to Public Limited Company under the provisions of The Companies Act, 1956 on 22/09/2003.)

Registered Office : Velliappallil Buildings, T. B. Road, Pala - 686 575
Tel: (04822) 210547, Fax: (04822) 215809
Email: jrgpala@jrg.co.in

Corporate Office : JRG House, Ashoka Road, Kochi - 682 017
Tel: (0484) 2409900 ; Fax: (0484) 2409922
E-mail: jrg@jrg.co.in

Registrar of Companies : Registrar of Companies, Kerala, Kochi - 682 030

Registration Number : 09-08265

The Board of Directors of JRG as on 31/12/2005 comprises of:

Name	Designation	Status
Mr. T. M. Venkataraman	Chairman	Independent
Mr. Regi Jacob	Managing Director	Non-Independent
Mr. Giby Mathew	Director	Non-Independent
Mr. Jiji Antony	Director	Non-Independent
Mr. S. K. K. Nair	Director	Independent
Mr. Mathew Jacob	Director	Non-Independent

For further details regarding the Board of Directors, see "Management" on page 41 of this Prospectus.

Company Secretary & Compliance Officer

Mr. Naveen Perla,
JRG House
Ashoka Road, Kaloor, Kochi - 682 017
Tel: (0484) 2409900
Fax: (0484) 2409922
Email: naveen@jrg.co.in
M. No. 17814

Bankers to the Company

The Federal Bank Limited
Bhagyodayam Buildings,
Pachalam, Kochi – 682 012
Tel: 0484-2391008
Email: phm@federalbank.co.in

The South Indian Bank Limited
Madaparambil Chambers
Kalady Road, Perumbavoor
Ernakulam
Tel: 0484-2523118

HDFC Bank Limited
2nd Floor, Elmar Square
M.G Road, Ravipuram, Kochi - 682 016
Tel: 0484-2363717, Fax: 0484-2359490
Email: retail.revipuram@hdfc.co.in

Canara Bank
1st Floor, Carmel Centre, Banerjee Road,
North Ernakulam, Kochi – 682018
Tel: 0484-2391048
Fax: 0484-2395402
E-mail: fcserb@canbank.co.in



Lead Manager to the Issue

KEYNOTE

CORPORATE SERVICES LTD.

KEYNOTE CORPORATE SERVICES LTD.

307, Regent Chambers,
Nariman Point, Mumbai - 400 021
Tel.: (022) 2202 5230
Fax: (022) 2283 5467
E-mail: jrg_ipo@keynoteindia.net
Website : www.keynoteindia.net
SEBI Regn. No.: INM 000003606
AMBI Regn No: AMBI/040
Contact Person: Mr. Vikram Subramaniam

Registrar to the Issue



BIGSHARE SERVICES PVT. LTD.

E/2, Ansa Industrial Estate,
Saki Vihar Road, Sakinaka,
Andheri (E), Mumbai – 400 072.
Tel.: (022) 2847 0652/0653
Fax: (022) 2847 5207
E-mail : ipo@bigshareonline.com
SEBI Regn. No.: INR000001385
Contact Person: Mr. V. Kumareshan

Bankers to the Issue

HDFC Bank Ltd.

2nd Floor, Trade World,
New Buildings, Kamala Mills,
Senapati Bapat Matg,
Lower Parel, Mumbai – 400 013
Tel: (022) 24988484
Fax: (022) 24963871

Punjab National Bank Ltd.

Star Junction,
Mattanchery,
Cochin – 602 002
Tel: (0484) 2224464
E-mail: pnbcochin123@rediffmail.com

Canara Bank

Capital Market Services Branch,
Varma Chambers,
No. 11, Homji Street,
Fort, Mumbai – 400 001
Tel: (022) 22692973
Fax: (022) 22664140

Federal Bank

Bhagyodayam Buildings,
Pachalam, Kochi – 682 012
Tel: (484) 2395766, 2391008
E-mial: phm@federalbank.co.in

Brokers to the Issue

All the brokers registered with SEBI will be brokers to the said issue of equity shares.

Auditors to the Company

JVR and Associates
Chartered Accountants
54, 4th Cross, Girinagar, Kochi - 682020
Tel: 2314115, 5598252
E-Mail: jomonkgeorge@vsnl.net

Legal Advisors to the Issue

Joseph Sebastian Purayidam
Off. Door No. 42/1598-C,
2nd Floor, Metro Tower,
Market Road North End,
Tatapuram, Kochi – 682 014

CREDIT RATING/DEBENTURE TRUSTEE

This being a Public Issue of Equity Shares, no Credit Rating or appointment of Debenture Trustee is required.

UNDERWRITING/ STANDBY SUPPORT

The present Public Issue is not underwritten

CAPITAL STRUCTURE

	Particulars	Nominal Value (Rs.)	Premium (Rs.)	Total Amount (Rs.)
A	AUTHORISED 1,50,00,000 equity shares of Rs. 10/- each	15,00,00,000	-	15,00,00,000
B	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL 91,65,000 equity shares of Rs. 10/- each	9,16,50,000	-	9,16,50,000
C	PRESENT PUBLIC ISSUE 36,25,000 equity shares of Rs. 10/- each being offered at a price of Rs. 40/- per share aggregating to Rs. 1450 Lacs	3,62,50,000	10,87,50,000	14,50,00,000
D	Out of (C) above 4,27,500 equity shares of Rs. 10/- each being issued at a price of Rs. 40/- per share aggregating to Rs. 171 lacs are reserved for NRIs on competitive basis.	42,75,000	1,28,25,000	1,71,00,000
E	NET OFFER TO PUBLIC 31,97,500 equity shares of Rs. 10/- each being offered at a price of Rs. 40/- per share aggregating to Rs. 1279 lacs in terms of the Prospectus	3,19,75,000	9,59,25,000	12,79,00,000
F	TOTAL PAID UP CAPITAL AFTER THE PUBLIC ISSUE 1,27,90,000 equity shares of Rs. 10/- each	12,79,00,000	-	12,79,00,000
G	SHARE PREMIUM ACCOUNT Before the Public Issue After the Public Issue	- -	- 10,87,50,000	- 10,87,50,000

Note:

- i. The unsubscribed portion, if any, after such inter se adjustments amongst the reserved category shall be added back to the net offer to the public.
- ii. In case of undersubscription in the net offer to the public portion, spillover to the extent of undersubscription shall be permitted from the reserved category to the net offer to the public.
- iii. Changes in the authorized capital since inception are as follows:

Date	Authorised Capital Increased From (Rs.)	Authorised Capital Increased to (Rs.)
At Incorporation	-	15 lacs
02/12/1997	15 lacs	25 lacs
18/06/1999	25 lacs	175 lacs
01/03/2003	175 lacs	225 lacs
30/09/2005	225 lacs	1200 lacs
28/10/2005	1200 lacs	1500 lacs

Notes to the Capital Structure:

1. Details of present Equity Share Capital of the Company are as follows:

Date of Allotment	Face Value (Rs.)	Issue Price (Rs.)	No. of Shares	Cumulative No. of shares	Nature of allotment	Consi-deration	% to Post Issue Capital (%)
17/10/1994	100	100	600	600	Subscribers to the Memorandum	Cash	0.05
05/01/1995	100	100	11,400	12,000	Allotment * to the promoter group	Cash	0.89
17/03/1997	100	100	3,000	15,000	Allotment to the promoter group	Cash	0.23
30/11/1998	100	100	7,200	22,200	Allotment to the promoter group	Cash	0.56
30/06/1999	100	100	54,800	77,000	Allotment to the promoter group	Cash	4.28
30/06/1999	100	100	77,000	1,54,000	Allotment to the promoter group	Bonus	6.02
15/01/2000	Each equity shares of Rs. 100/-each was split into ten equity shares of face value of Rs. 10/- w.e.f. 15/01/2000						
30/06/2000	10	10	35,000	15,75,000	Allotment to the promoter group	Cash	0.27
24/03/2003	10	10	6,30,000	22,05,000	Allotment to the promoter group	Cash	4.93
30/09/2005	10	90	5,00,000	27,05,000	Allotment to the promoter group	Cash	3.91
30/09/2005	10	10	54,10,000	81,15,000	Allotment to the promoter group	Bonus	42.30
28/10/2005	10	10	10,50,000	91,65,000	Allotment to the promoter group	Cash	8.21
Total			91,65,000				71.66

Note: * Promoter Group Constitutes Mr. Jiji Antony, Mr. Reji Jacob and Mr. Giby Mathew the main promoters of JRG and all other shareholders who are deemed to act in concert with the promoters before the IPO.

2. Promoters holding and lock-in

Name of Promoter	Date of Allotment/ transfer & Fully Paid-up	Consi-deration	No. of shares	Face Value (Rs.)	Issue Price (Rs.)	% to post issue capital	Lock-in Upto
Regi Jacob	30/09/2005	Bonus	7,78,000	10	-	6.08	3 years
	24/03/2003	Cash	1,70,000	10	10	1.33	3 years
	01/02/2001	Cash	15,000	10	10	0.12	3 years
	31/03/2000	Cash	10,000	10	10	0.08	3 years
SUB TOTAL			9,73,000			7.61	
Jiji Antony	30/09/2005	Bonus	6,89,900	10	-	5.39	3 years
	24/03/2003	Cash	1,05,000	10	10	0.82	3 years
	01/02/2001	Cash	50,000	10	10	0.39	3 years
	31/03/2000	Cash	10,000	10	10	0.08	3 years
SUB TOTAL			8,54,900			6.68	
Giby Mathew	30/09/2005	Bonus	5,49,000	10	-	4.29	3 years
	24/03/2003	Cash	1,02,900	10	10	0.80	3 years
	01/02/2001	Cash	15,000	10	10	0.12	3 years
	31/03/1999	Cash	63,200	10	10	0.49	3 years
SUB TOTAL			7,30,000			5.71	
Total			25,58,000			20.00	

A specific written consent has been obtained from the respective shareholders for inclusion of their subscription in the minimum promoter's contribution subject to lock-in. Lock-in period will commence from date of allotment in this issue. Besides this, entire pre-issue share capital, other than that locked in as promoter's contribution for 3 years as given above, will be locked in for a period of one year from the date of allotment in this public issue.

Notes:

- On 30/09/2005, the Company made a private placement of 5,00,000 equity shares at Rs. 90/- per share to 48 persons in order to augment its share capital and raise sufficient premium to facilitate the bonus issue of shares.
- On 28/10/2005, the Company issued 10,50,000 equity shares to the promoters at a price of Rs. 10/- per share. This was done to comply with NSE's requirements which state that in case an unlisted company engaged in the business of stock broking goes public, the identified promoters of the company in association with their immediate relatives should hold not less than 40% of the post issue paid up equity capital of the company.
- Shares held by promoter(s) which are locked in, may be transferred to and amongst promoter/promoter group or to a new promoter or persons in control of the company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997, as applicable.
- Equity shares of promoters, locked in may be pledged with banks or financial institution as collateral security for loans granted by such banks or FIs provided the pledge of shares is one of the terms of sanction of loan.
- The securities which are subject to lock-in shall carry the inscription "non transferable" along with the duration of specified non-transferable period mentioned on the face of the security certificate
- The promoters' contribution has been brought in from persons defined as promoters under the Guidelines.
- On 03/09/2005, the company issued stock options to its employees, details of which can be given on page 46 of this prospectus. Apart from this, the company has not issued any warrant, option, convertible loan, debenture or any other securities convertible at a later date into equity, which would entitle the holders to acquire further equity shares of the company.

viii. There are no transactions in the securities of the Company during the preceding 6 months which were financed directly or indirectly by the promoters, their relatives, their group companies or associates or by the above entities directly or indirectly through other persons except as given herein:

Name of purchaser	Name of seller	No. of shares	Date
Augustine Joseph	Thomas K D	1200	11.08.2005
Augustine J Ouseph	Thomas K D	7,000	
Benoy George	Thomas K D	7000	
Celin J Ouseph	Thomas K D	7,000	
Devasia Devasia	Thomas K D	9500	
Giby Mathew	Mathai Augusty	40,000	
Giby Mathew	Jerry Mathew	300	
Ignasious Joseph	Thomas K D	3000	
Ignatious Joseph	Ignatious Joseph	2,500	
Jiji Antony	Giby Mathew	37,700	
Jiji Antony	Jerry Mathew	12,250	
Jose Mathew	Thomas K D	1000	
Jose Thomas	Jerry Mathew	300	
Kurian Bose	Thomas K D	13,000	
Liziamma Bose	Thomas K D	13,000	
Mathew Jacob	Jerry Mathew	300	
Mini Ashraff	Jerry Mathew	28,100	
Mini Ashraff	Mohamed Sait	1,500	
Mini Ashraff	Cyriac J K	400	
Regi Jacob	Jose Thomas	24000	
Regi Jacob	Augustine Abraham	15,700	
Regi Jacob	Jerry Mathew	300	
Theyamma Thomas	Thomas K D	10000	
Thomas Joseph	Thomas K D	2000	
Thomas Mathew	Thomas K D	500	
Giby Mathew	Mathew Jacob	210000	08.11.2005
Giby Mathew	JRG Trade Links	150000	
Giby Mathew	Gijo T Rockey	60000	
Jiji Antony	M J Antony	222000	
Jiji Antony	Jose Thomas	12750	
P L Sunil Kumar	Mini Sunil	15000	
Regi Jacob	Jose Thomas	186050	
Scaria A. Y	Syama Scaria	30000	
Thomas K D	Gijo T Rockey	3900	

The transactions stated above have been made at a price of Rs. 10/- per share.

- ix. The Company/Promoters/Directors/Lead Merchant Bankers have not entered into buyback or similar arrangements for purchase of securities issued by the Company.
- x. Allotment shall be on a proportionate basis rounded off to the nearest integer subject to the minimum allotment being equal to the minimum application size. In case of over-subscription the proportionate allotment will be subject to the reservation for Retail Individual Investors as below:-
 - a) A minimum of 50% of the net offer to the public will initially be made available for allotment to retail individual investors.
 - b) The balance net offer to the public shall be made available for allotment to applicants other than retail individual investors.



3. The ten largest shareholders as on the date of filing of the Prospectus with ROC are as follows:

Sr. No.	Name of the Shareholder	Number of Shares	% of issued Capital
1	Regi Jacob	17,03,050	18.58
2	Jiji Antony	16,19,600	17.67
3	Giby Mathew	15,93,500	17.39
4	Jerry Mathew	8,02,350	8.75
5	Mini Ashraf	1,87,500	2.05
6	Scaria A. Y.	1,80,000	1.96
8	P. L. Sunil Kumar	1,65,000	1.80
7	Ashraf M. Sultan	1,62,000	1.77
9	Babu K. Lonappan	1,50,000	1.64
10	Kurian Bose	1,36,500	1.49
	TOTAL	66,99,500	73.10

4. The ten largest shareholders, 10 days prior to the date of filing of the Prospectus with ROC are as follows:

Sr. No.	Name of the Shareholder	Number of Shares	% of issued Capital
1	Regi Jacob	17,03,050	18.58
2	Jiji Antony	16,19,600	17.67
3	Giby Mathew	15,93,500	17.39
4	Jerry Mathew	8,02,350	8.75
5	Mini Ashraf	1,87,500	2.05
6	Scaria A. Y.	1,80,000	1.96
7	P. L. Sunil Kumar	1,65,000	1.80
8	Ashraf M. Sultan	1,62,000	1.77
9	Babu K. Lonappan	1,50,000	1.64
10	Kurian Bose	1,36,500	1.49
	TOTAL	66,99,500	73.10

5. The ten largest shareholders two years prior to the date of filing of this Prospectus with ROC are as follows:

Sr. No.	Name of the Shareholder	Number of Shares	% of issued Capital
1	Regi Jacob	3,49,000	15.83
2	Jerry Mathew	3,09,000	14.01
3	Jiji Antony	2,95,000	13.38
4	Giby Mathew	2,71,900	12.33
5	Thomas K. D.	1,15,500	5.24
6	Jose Thomas	1,14,000	5.17
7	Mathew Jacob	90,000	4.08
8	M. J. Antony	74,000	3.36
9	Ashraf M. Sulthan	54,000	2.45
10	Mathai Augusty	40,000	1.81
	TOTAL	17,12,400	77.66

6. Total number of shareholders of the company as on date is 85.

7. The shareholding pattern of the promoter group is as detailed below:

Particulars	Present		Post Issue	
	No. of Equity Shares of Rs.10/- each	% of Present Capital	No. of Equity Shares of Rs.10/- each	% of Present Capital
a) Promoters/Directors				
Mr. Regi Jacob	17,03,050		17,03,050	
Mr. Jiji Antony	16,19,600		16,19,600	
Mr. Giby Mathew	15,93,500		15,93,500	
Sub -Total	49,16,150	53.64	49,16,150	38.44
b) Immediate relatives of promoter/ Director (Spouse, parent, child, brother, sister)				
Mr. Jerry Mathew	8,02,350		8,02,350	
Ms. Mini Regi	60,000		60,000	
Ms. Manju Mathew	30,000		30,000	
Sub -Total	8,92,350	9.74	8,92,350	6.98
c) Company in which 10% or more of the share capital is held by the promoter his immediate relative firm or HUF in which the promoter or his immediate relative is a member	-		-	
d) Company in which the Company mentioned in (c) above holds 10% or more of the share capital	-		-	
e) HUF in which aggregate share of the promoter and his immediate relatives is equal or more than 10% of the total	-		-	
f) Friends and associates	33,56,500	36.62	33,56,500	26.24
TOTAL	91,65,000	100.00	91,65,000	71.66

8. The pre and post offer shareholding pattern of the Company is given below:-

Particulars	Pre Issue		Post Issue	
	No. of equity shares	% to present share capital	No. of equity shares	% to Post Issue capital
Promoter/directors & other persons in promoter group	91,65,000	100.00	91,65,000	71.66
Financial Institutions/ Banks/ Mutual funds	-		36,25,000	28.34
Private Corporate Bodies	-			
Indian Public	-			
NRIs	-			
Total	91,65,000	100.00	1,27,90,000	100.00

9. An oversubscription to the Issue to the extent of 10% of the net offer to the public can be retained for the purpose of rounding off while finalizing the basis of allotment.
10. The Equity Shares will be issued and traded on the stock exchange only in dematerialised form. Hence the market lot of the equity shares is 1 (One share).
11. No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by the issuer company or the promoters in any public issue to the persons who receive firm allotment in such public issue.
12. At any given time there shall be only one denomination for the shares of the Company and the disclosures and accounting norms specified by SEBI from time to time shall be complied with.
13. The Company shall not make any further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or public issue or in any other manner during the period commencing from the submission of the Prospectus to SEBI for the Public Issue till the securities referred in the aforesaid have been listed.
14. The Company does not propose to alter the capital structure by way of split or consolidation of the denomination of the shares or the issue of shares on a preferential basis or issue of bonus or rights or further public issue of shares or any other securities within a period of six months from the date of opening of the present Public Issue. If such an alteration will be required within a period of six months from the date of opening of the present Public Issue, then the Company will secure all the necessary approvals and resolutions before proceeding with any such alteration.



OBJECTS OF THE ISSUE

The objects of the issue includes:

1. Technology upgradation of the existing I.T. infrastructure.
2. Establishment of 30 new regional offices in India.
3. Formation of a subsidiary company and a limited liability company in Dubai and securing necessary memberships and approvals to commence capital market operations in the Middle East and secure membership for commodities trading on the DGCX.
4. To meet the public issue expenses.

The main object clause and objects incidental or ancillary to the main objects of the Company’s Memorandum of Association enables it to undertake existing activities and activities for which the funds are raised through the present issue.

FUNDS REQUIREMENT

(Rs. in lacs)

Sr. No.	Particulars	Funds requirements
1	Technology upgradation	160.00
2	Establishment of 30 new regional offices	600.00
3	Investment in Middle East Operations	560.00
4	Public issue expenses	130.00
	Total	1450.00

a. Technology upgradation

The operational efficiency of our business is highly dependent on the use of modern technology. Speed of order execution and transparency of dealings are key factors to our success. With this in mind, we plan to upgrade our back office software solution from our own in-house software to a web based back office software developed by “ENC Software Solutions Pvt. Ltd.” which is used by many leading capital market intermediaries. This will entail an outlay of Rs. 70 lacs. In addition, we propose to upgrade our I.T. platform and systems for our internet trading and mobile trading services. We are in the process of identifying suitable upgrade modules for FTIL’s “ODIN” and “iWin” software that is currently deployed in our operations. The estimated cost of these upgrades is Rs. 50 lacs. We will also undertake a hardware upgradation and replacement of old machines and computers at a total cost of Rs. 40 lacs.

Item Wise cost estimates of proposed technological upgradation

A] Trading Back office Software from ENC Software Solutions Pvt. Ltd. vide quotation dated 06/12/2005

No.	Particulars	Cost (Rs. lacs)
1	NSE Capital Market Trading Member Module	5.00
2	NSE F&O Trading Member Module	5.00
3	BSE Capital Market Trading Member Module	5.00
4	MCX Commodities Trading Member Module	5.00
5	NCDEX Commodities Trading Member Module	5.00
6	Remote Connect Module (300 connections)	45.00
	TOTAL	70.00

B] Upgrade of FTIL's software modules vide quotation dated 24/11/2005

No.	Particulars	Cost (Rs. lacs)
1	BSE IML ODIN License for BSE Cash Segment - 125 licenses	17.50
2	ODIN NSE CTCL License for NSE Cash Segment – 85 licenses	11.50
3	i-Win™ licenses for MCX and NCDEX - 140 licenses	21.00
	TOTAL	50.00

C] Hardware upgradation contract to be placed with Datahard Info Systems Pvt. Ltd. vide quotation dated 24/11/2005

No.	Particulars	Cost (Rs. lacs)
1	IBM Xeon processor Blade Server	2.20
2	AMD Opteron processors based Server (4 GB Ram)	4.46
3	AMD Opteron processors based Server (8 GB Ram)	5.80
4	Storage and networking equipment	12.79
5	Additional upgrades	12.50
6	Rack and accessories	2.25
	TOTAL	40.00

b. Establishment of 30 new regional offices

Currently our company has its presence in 310 trading centres in India which are supervised by 12 regional offices. We propose to expand this by establishment of 1200 additional trading centres. In order to cater to these additional centres, we propose to establish 30 regional offices to coordinate their establishment and monitor their performance. This phase will allow us to extend our reach to new states like Haryana, Gujarat, Rajasthan, Madhya Pradesh and West Bengal.

We will establish these regional offices by leasing the requisite space in identified locations. The development of each office is estimated to cost Rs. 20 lacs including outlay on Lease deposits, Computer systems, VSAT, Software licenses and Furnishing and other assets,. Across 30 regional offices, the total outlay will be Rs. 600 lacs.

Item wise breakup of cost estimate per regional office

No.	Particulars	Cost (Rs. lacs)	Vendor
1	Furnishing (including flooring, ceiling, air conditioning, desks and loose furniture)	12.50	Woodworth Interiors, Cochin Revised Quotation dated: 02/03/2006
2	Computer Systems consisting of 1 IBM X-Server 226 Model, 6 IBM thinkcentre KQU Model nodes 1 TVSE Dot Matrix and 1 HP Deskjet Printer	3.00	Datahard Info Systems Pvt. Ltd., Cochin Quotation dated: 24/11/2005
3	VSAT	1.00	HCL Comnet
4	Additional Equipment (UPS, EPABX, Telephones and cabling)	1.00	Supra Hi-Tech Electro Equipments Pvt. Ltd., Cochin (For the UPS) Quotation dated: 15/11/2005 Southern Marketing Services, Cochin Quotation dated: 21/11/2005
5	Trading Software Licenses	1.00	FTIL, Mumbai
6	Lease Deposit	1.50	—
	TOTAL	20.00	

c. Formation of a wholly owned subsidiary company and a limited liability company in Dubai and securing necessary memberships and approvals to commence capital market operations in the Middle East and secure membership of the DGCX.

We will establish two companies in the U.A.E.:

a) **A Limited Liability Company:** This company will be set up in collaboration with Mr. Hazza Bin Mohammed Yahiya Mohammed, a Dubai resident as per existing U.A.E. laws with an initial capital of 6 million U.A.E. Dirhams [Rs. 768 lacs]. It will conduct broking operations on the Indian and international stock exchanges for the Middle East market. U.A.E. law requires that any company wishing to commence capital market operations is required to make a deposit amounting to Rs. 256 lacs (after conversion of 2 million U.A.E. Dirhams @ Rs. 12.80 per U.A.E. Dirham) with the Central Bank of U.A.E. In addition, a bank guarantee amounting to Rs. 256 lacs (after conversion of 2 million U.A.E. Dirhams @ Rs. 12.80 per U.A.E. Dirham) will have to be arranged, for which a 100% margin will be required to be deposited with the concerned bank.

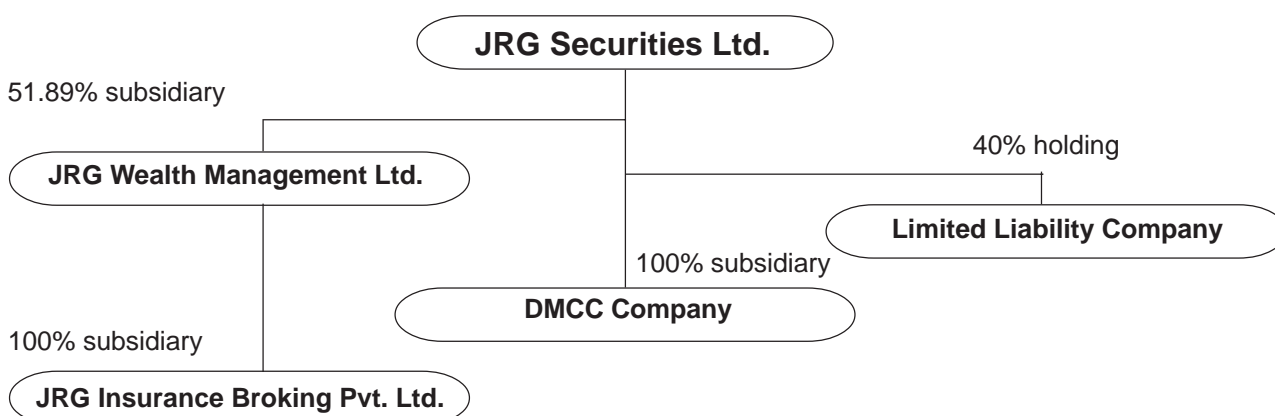
In this company, the U.A.E. partner will hold 60% of the shares of the company while our company will hold the remaining 40% of the company. This will be in conformance with the existing U.A.E. laws concerning limited liability companies engaged in capital market operations. As per these norms, we will be investing Rs. 310 lacs (2.40 million U.A.E. Dirhams) as our 40% share of the capital of the LLC.

b) **A DMCC Company:** The DMCC company will be a wholly owned subsidiary of JRG Securities Limited and will be established in the DMCC Free Zone. As per existing U.A.E. laws, companies set up in free zones can be wholly owned by foreigners without any participation by U.A.E. residents. Our subsidiary will be a registered member of the DGCX and will conduct commodities broking operations on the DGCX and will source clients from the Middle East, India, U.S. and Europe. The cost of membership of the DGCX is Rs. 110 lacs (after conversion of US\$ 250,000 @ Rs. 44 per US\$). In addition, we will be required to make an initial margin deposit of Rs. 100 lacs with the DGCX to start our trading / clearing operations on that exchange. We will establish our office in the Gemplex Complex which is part of the DMCC free zone, which will entail an outlay of Rs. 10 lacs towards registration and preliminary expenses and Rs. 30 lacs towards the cost of establishment of the infrastructure.

Tabular form of proposed investment in Middle East operations:

PARTICULARS	Rs. Lacs
Investment in proposed Limited Liability Company	310.00
Membership of the DGCX	110.00
Margin deposit to be maintained with DGCX	100.00
Office establishment	40.00
TOTAL	560.00

The proposed corporate structure of the group post project implementation will be as under:



The proposed investments for the Middle East operations are covered under the Automatic route as per RBI's Notification on Overseas Investment: Liberalisation dated 12/05/2005 which allows an Indian company to invest upto 200% of its networth in a Joint Venture / Wholly Owned Subsidiary abroad for any bonafide business activity.

d. To meet the public issue expenses.

The total expenses of the issue are estimated to be around 9 % of the issue size. All expenses with respect to the issue would be met out of the proceeds of the issue. The split of issue expenses is as under: -

Expenses	Amounts in Rs. Lacs	Amount as a % of total issue expenses	Amount as a % of total issue size
Fees to the intermediaries	30.00	23.08	2.07
Advertising & Marketing expenses	50.00	38.46	3.45
Printing, Stationery, Despatch	20.00	15.38	1.38
Miscellaneous	30.00	23.08	2.07
Total	130.00		8.97

MEANS OF FINANCE

(Rs in Lacs)

Sr. No.	Particulars	Funds requirements
1	Public Issue of 36.25 lacs equity shares at a price of Rs. 40/- per share	1450.00
	Total	1450.00

Schedule of Implementation / Utilization of Issue Proceeds

Break-up of the utilization of issue proceeds and the year wise deployment is given below:

(Rs. in lacs)

Sr. No.	Particulars	Upto 30/06/2006	From 01/07/2006 to 31/03/2007	Total
1	Technology upgradation	160.00	—	160.00
2	Establishment of 30 new regional offices	100.00	500.00	600.00
3	Investment in Middle East Operations	560.00	—	560.00
4	Public issue expenses	130.00	—	130.00
	Total	950.00	500.00	1450.00

Sources & Deployment of Funds

The total issue expenses for the issue will be borne out of the issue proceeds. However the Company has spent an amount of Rs. 19.28 lacs till date towards issue expenses which is funded from internal accruals for the time being as stated in the certificate dated 02/03/2006 issued by the statutory auditor of the Company.

Interim Use of Proceeds

The management, in accordance with the policies established by its Board, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, the Company intends to temporarily invest the funds in high quality interest bearing liquid instruments including deposits with banks. Such investments would be in accordance with the investment policies approved by the Board of Directors from time to time.

BASIS OF ISSUE PRICE
QUALITATIVE FACTORS

1. JRG Securities Ltd. is an existing profit making company with an existence of over a decade and an experienced management team.
2. The company is primarily engaged and specializes in Stock and Commodities Broking, Insurance Broking and Financial Advisory services.
3. The Company is well equipped to handle large volumes of orders and has a well established technical and technological infrastructure to cater to the needs of a much larger client base.
4. The Company has displayed increasing revenues from the stock and commodities broking and is steadily expanding its client base.

QUANTITATIVE FACTORS

Information presented in this section is derived from the audited financial statements.

i) Earnings per Share (on Rs. 10/- per share)

Year	EPS (Rs)	Wts
2003-04	0.43	1
2004-05	6.71	2
Nine Months ending 31/12/2005 (audited)	# 1.56	3
Weighted Average EPS	3.09	
EPS on consolidated results for nine months ending 31/12/2005 (annualized)	2.13	

annualized (EPS calculated on number of shares outstanding as on 31/12/2005 i.e. 91,65,000 shares)

Note: The total number of shares outstanding as on the date of filing of the Prospectus is 91,65,000 shares.

ii) P/E Ratio

Price per share	Rs. 40/-
P/E (based on weighted average EPS)	12.94

iii) Return on Networth (RONW)

Year	RONW (%)	Wts
2003-04	3.73	1
2004-05	40.78	2
Nine Months ending 31/12/2005 (audited)	10.48	3
Weighted Average RONW	19.45	

iv) Minimum RONW required for maintaining weighted average EPS of Rs. 3.09 (%)	15.97
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v) Book Value (Rs.)

Book Value (pre issue) (As on 31/03/2005)	16.44
Book Value (pre issue) (As on 31/12/2005)	11.18
Book Value (post Issue)	19.35
Issue Price	40.00

vi) Industry P/E Ratio

Highest (Indiabulls Financial Services Ltd.)	48.60
Lowest (Integrated Financial Services Ltd.)	2.70
Average	17.90
Source: Capital Market – Nov 7-20 2005 ; Segment – Finance & Investments	

Comparison with other companies

(Rs in Crore)

Name of the company	Equity	Sales	PAT	EPS (Rs.)	B/V (Rs.)	P/E
Allianz Securities	6.37	1017.90	4.40	3.90	10.60	6.80
Arihant Capital	3.55	149.80	1.40	3.70	18.70	8.00
Fortis Financial Services Ltd.	25.86	0.62	0.40	0.20	(4.2)	3.4
Geojit Financial Services Ltd.	15.22	47.10	9.00	5.40	20.30	13.20
Gogia International Securites Ltd.	5.00	3.20	0.30	0.70	12.80	24.90
HB Stockholdings Ltd.	25.44	3.40	1.50	0.60	26.40	5.70
Integrated Financial Services Ltd.	8.00	54.90	7.60	0.90	1.90	2.70
Indiabulls Financial Services Ltd.	32.41	5352.00	23.60	1.50	22.00	48.60
Joindre Capital Services Ltd.	11.14	53.30	1.40	1.20	14.80	8.20
Khandwala Securities Ltd.	10.44	18.00	2.10	2.00	7.80	8.20
LKP Merchant Financing Ltd.	12.80	83.00	3.90	3.00	19.00	16.60
Morarka Finance Ltd.	4.50	1.20	1.00	1.90	13.50	10.10
NPR Finance Ltd.	6.00	9.70	2.80	4.60	38.60	2.60
Shardul Securities Ltd	17.50	11.70	7.20	4.10	29.00	3.20
SKP Securities Ltd.	5.05	5.60	1.10	2.10	15.20	6.90

Source: Capital Market – Nov 7-20 2005 ; Segment – Finance & Investments

Conclusion

The equity shares are being issued at a price of Rs. 40/- per share. The issue price is 4 times the face value of the shares. The pre-issue book value of the shares as on 31/12/2005 is Rs. 11.18 per share. The average PE multiple of the industry sector is 17.90. The present issue of shares is at a PE multiple of 12.94 times which is lower than the average PE multiple in the industry. The minimum return on networth required to be earned to maintain the weighted average EPS of Rs. 3.09 is 15.97% whereas the weighted average RONW of the company is 19.45%.

Taking into account the above qualitative and quantitative factors, the issue price of Rs. 40/- per share is justified.



STATEMENT OF TAX BENEFITS

The Board of Directors
JRG Securities Limited
Velliapallil Buildings
Pala

We the auditors of **JRG Securities Limited** hereby confirm that the attached annexure details the generally available tax benefits to the Company and its shareholders under the Income Tax Act, 1961, subject to the fact that the several of these benefits are dependent on the Company or its shareholders fulfilling the condition prescribed under the relevant tax laws.

Hence the ability of the company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, based on the business imperatives the Company may or may not chose to fulfill.

The benefits discussed in the Annexure are not exhaustive.

The statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for the professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her tax consultant with respect to the specific tax implication arising out of their participation in the issue. We do not express an opinion or provide any assurance as to whether:

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

The contents of this annexure are based on the information, explanations and representation obtained from the Company and on the bases of our understanding of the business activities and operation of the Company and interpretations of the current tax laws.

For JVR & Associates
Chartered Accountants

Jomon K .George
Partner
M.No . 202144.

Kochi, 28.10.2005

ANNEXURE TO THE STATEMENT OF TAX BENEFITS

TAX BENEFITS TO THE COMPANY AND ITS SHAREHOLDERS :

The Company is advised that under the current provisions of the Income tax Act, 1961 (hereinafter referred to as "The Act") and existing laws for the time being in force, the following benefits are available to the Company and to its Shareholders. The tax benefits available to the "Company" and its Shareholders are as under the current tax law presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The tax benefits listed below are the possible benefits available under the current tax law in India. Several of these benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of the Company and its Shareholders to derive the tax benefits is dependent on fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfill.

The Company is mainly engaged in stock broking as a member of NSE & BSE and is also a depository participant of NSDL. There are no specific tax incentives available to the Company based on its business Activities.

The following tax benefits shall be available to the prospective shareholders under Direct Tax Laws.

(1) Under the income tax Act, 1961

Resident Members

- Under section 10(34) of the Act income earned by way of dividend from a domestic company referred to section 115O of the Act is exempted from income tax in the hands of the shareholders
- Under section 10(38) of the Act, long term capital gains arising to the shareholders from transfer of long term capital asset being an equity share in the company or unit of an equity oriented Mutual Fund (i.e. capital asset held for a period of 12 months or more) entered into in a recognized Stock Exchange in India after the notified date is exempted.
- In accordance with section 10(23) of the Act, all Mutual Funds set up on by public sector banks or public financial institutions or Mutual Funds registered under Securities and Exchange Board of India (SEBI) or authorized by the Reserve Bank of India subject to the conditions specified therein are eligible for exemption from income tax on their entire income, including income from investments in the shares of the company.
- Under section 54 EC of the Act and subject to the conditions and to the extent specified therein long term capital gains (not covered under section 10(38) of the Act) arising on the transfer of shares of the company will be exempt from capital gains tax if the capital gains are invested within a period of 6 months from the date of transfer in the bonds issued by -National Housing Bank established under section 3(1) of the National Housing Bank Act of 1987; Small Industries Development Bank of India established under section 3 of Small Industries Development Bank of India. Act, 1989; If only part of the capital gain 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 within 3 years from the date of their acquisition.

JRG Securities Limited

- Under section 54 ED of the Act and subject to the conditions and to the extent specified therein long term capital gains (not covered under section 10(38) of the Act) arising on the transfer of shares of the company will be exempt from capital gains tax if the capital gains is invested in equity shares of Indian public company forming part of an eligible public issue within a period of six months after the date of such transfer. If only part of the capital gain is so re invested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within 1 year from the date of their acquisition.
- Under section 54F 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 to an individual or Hindu Undivided Family (HUF) on transfer of shares of the company will be exempted from capital gains tax subject to the other condition if the net sales consideration from such shares are used for purchase of such a residential house property within a period of one year before or two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.

- Under section 111A of the Act, capital gains arising to a shareholder from transfer of short term capital assets being an equity share in the company or unit of an equity oriented Mutual Fund entered into in a recognized Stock Exchange in India [after the date of coming into force of Chapter VII of the Finance (No.2) Act 2004] will be subject to tax at the rate of 10% (plus applicable surcharge and educational cess on income tax)
- Under section 112 of the Act and the other relevant provision of the Act long term capital gains (not covered under section 10(38) of the Act) arising on the transfer of shares of the company if the shares are held for a period exceeding 12 months shall be taxed at the rate of 20% (plus applicable surcharge and educational cess on income tax after indexation as provided in the second proviso of section 48 or at 10% (plus applicable surcharge and educational cess on income tax)(without indexation), at the option of the shareholder.

Non Resident Indians/Members other than FIIs and Foreign Venture Capital Investors

- By virtue of section 10(34) of the Act income earned by way of dividend income from another domestic company referred to in section 115 O of the Act, is exempt from income tax in the hands of the recipients.

Tax on income from investments and Long Term Capital Gains:

- A non-resident Indian (i.e. an individual being a citizen of India or persons of Indian origin) has an option to be governed by the provisions of Chapter XII A of the Act viz "Special Provisions Relating to certain incomes of Non Residents".
- Under section 115 E of the Act, where shares in the company is subscribed for in convertible Foreign Exchange by a non resident Indian, capital gains (not covered under section 10(38) of the Act) arising to the non resident on transfer of shares held for a period exceeding 12 months shall be concessionaly taxed at a flat rate of 10% (plus applicable surcharge and educational cess on income tax) without indexation benefit but without protection against foreign exchange fluctuation under the first proviso to section 48 of the Act.
- Capital gain on transfer of Foreign Exchange Assets, not to be charged in certain cases Under provisions of section 115F of the Act, long term capital gains [not covered under section 10(38) of the Act] arising to the 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 of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so reduced shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition.

Return of Income not to be filed in certain cases

- Under provisions of section 115-G of the Act, it shall not be necessary for a non resident Indian to furnish his return of income if his only source of income is investment income or long term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from.

Other Provisions

- Under section 115 I of the Act, a non resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income under section 139 of the Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year and if he does so the provisions of this Chapter shall not apply to him, instead the other provisions of the Act shall apply. Under the first proviso section 48 of the Act, in case of a non-resident, in computing the capital gains arising from transfer of shares of the company acquired in convertible Foreign Exchange (as per exchange control regulations), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case.
- Under section 54 EC of the Act and subject to the conditions and to the extent specified therein long term capital gains (not covered under section 10(38) of the Act) arising on the transfer of shares of the company will be exempt from capital gains tax if the capital gains are invested within a period of 6 months from the date of transfer in the bonds issued by-
 - ★ National Housing Bank established under section 3(1) of the National Housing Bank Act of 1987;
 - ★ Small Industries Development Bank of India established under section 3 of Small Industries Development Bank of India. Act, 1989;

If only part of the capital gain 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 within 3 years from the date of their acquisition.

- Under section 54 ED of the Act and subject to the conditions and to the extent specified therein long term capital gains (not covered under section 10(38) of the Act) arising on the transfer of shares of the company will be exempt from capital gains tax if the capital gains is invested in
- equity shares of Indian public company forming part of an eligible public issue within a period of six months after the date of such transfer. If only part of the capital gain is so re invested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within 1 year from the date of their acquisition.
- Under section 54F 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 to an individual or Hindu Undivided Family (HUF) on transfer of shares of the company will be exempted from capital gains tax subject to the other condition if the net sales consideration from such shares are used for purchase of such a residential house property within a period of one year before or two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.
- Under section 112 of the Act and the other relevant provision of the Act long term capital gains (not covered under section 10(38) of the Act) arising on the transfer of shares of the company, if the shares are held for a period exceeding 12 months shall be taxed at the rate of 20% (plus applicable surcharge) after indexation as provided in the second proviso of section 48. However indexation will not be available if the investment is made in foreign currency as per the first proviso of the section 48 stated above, or it can be taxed at 10% (plus applicable surcharge and educational cess on income tax)(without indexation), at the option of the assessee.
- Under section 111A of the Act, capital gains arising to a shareholder from transfer of short terms capital assets being an equity share in the company or unit of an equity oriented Mutual Fund entered into in a recognized Stock Exchange in India [after the date of coming into force of Chapter VII of the Finance (No.2) Act 2004] will be subject to tax at the rate of 10% (plus applicable surcharge and educational cess on income tax).

Foreign Institutional Investors (FIIs)

- By virtue of section 10(34) of the Act income earned by way of dividend income from another domestic company referred to in section 115 O of the Act, is exempt from income tax in the hands of the institutional investor.
- The income realized by a FIIS on sale of shares in the company by way of short term capital gains referred to in section 111A of the Act would be taxed at the rate of 10% (plus applicable surcharge and educational cess on income tax) as per section 115AD of the Act.
- The income by way of short term capital gains (not referred to in section 111A) or long term capital gains [not covered under section 10(38) of the Act] realized by FIIs on sale of shares in the company would be taxed at the following rates as per section 115 AD of the Act.

Short-term capital gains-30%(plus applicable surcharge and educational cess on income tax).

Long-term capital gains-10%(without cost indexation plus applicable surcharge and educational cess on income tax)(shares held in a company would be considered as a long term capital asset provided they are held for a period exceeding twelve months)

- Under section 54 EC of the Act and subject to the conditions and to the extent specified therein long term capital gains (not covered under section 10(38) of the Act) arising on the transfer of shares of the company will be exempt from capital gains tax if the capital gains are invested within a period of 6 months after the date of such transfer for a period of three years in the bonds issued by-
 - ★ National Housing Bank established under section 3(1) of the National Housing Bank Act of 1987;
 - ★ Small Industries Development Bank of India established under section 3 of Small Industries Development Bank of India Act, 1989;

- Under section 54 ED of the Act and subject to the conditions and to the extent specified therein long term capital gains (not covered under section 10(38) of the Act) arising on the transfer of shares of the company will be exempt from capital gains tax if the capital gains is invested in equity shares of Indian public company forming part of an eligible public issue within a period of six months after the date of such transfer for one year.

Venture Capital Companies / Funds

- In terms of section 10(23FB) of the Act and subject to the conditions specified therein all Venture Capital undertakings referred to in Securities and Exchange Board of India (Venture Capital Funds) Regulation, 1996 made under the Securities and Exchange Board of India Act, 1992 and notified as such in the Official Gazette as Venture Capital Companies, are eligible for exemption from income tax on all their income, including income from dividend.

(ii) Under The Wealth Tax Act, 1957

- 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 Wealth Tax Act will not be applicable.

Notes

- All the above benefits are as per the current tax law and will be applicable only to the sole/ first named holder in case the shares are held by joint holders.
- In respect of non-residents, taxability of capital gains 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.
- In view of the individual nature of tax consequence, each investor is advised to consult his/her own tax adviser with respect to specific tax consequences of his/her participation in the scheme.

SECTION III: ABOUT THE ISSUER COMPANY

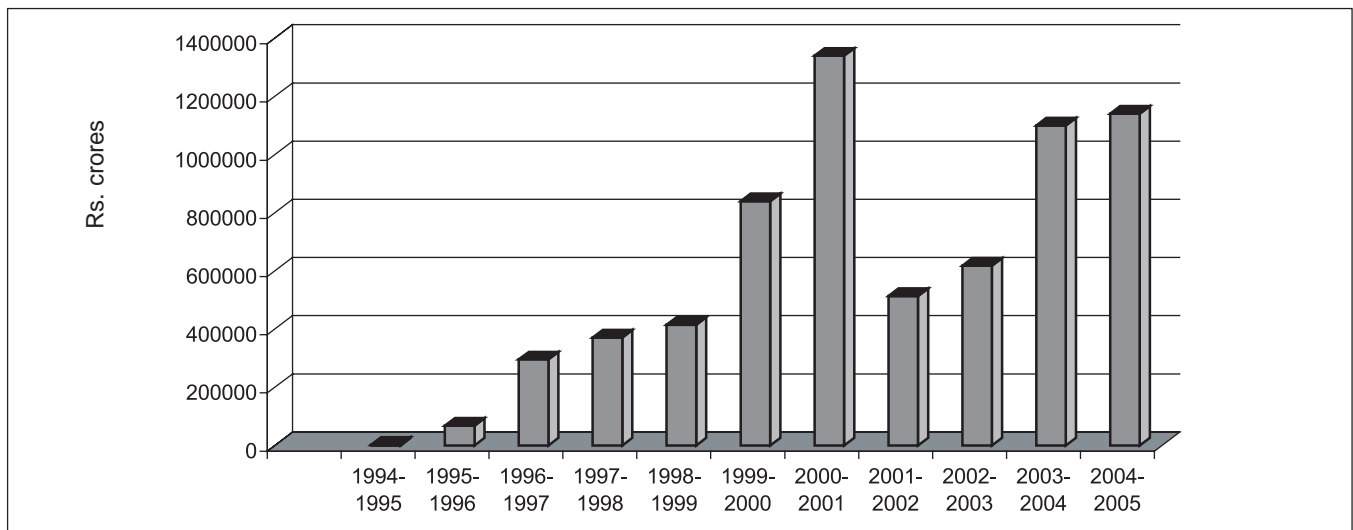
INDUSTRY OVERVIEW

The following information has been obtained from the public sources specifically mentioned where applicable and has not been independently verified. (Sources of information for this section: ETIG, Capital Market, CMIE, The Hindu, www.bseindia.com, www.nseindia.com)

The information in this section has been extracted from publicly available documents from various sources, including officially prepared materials from SEBI, The Stock Exchange, Mumbai and the National Stock Exchange of India Limited, and has not been independently verified by our Company, the Underwriters or any of their affiliates or advisors.

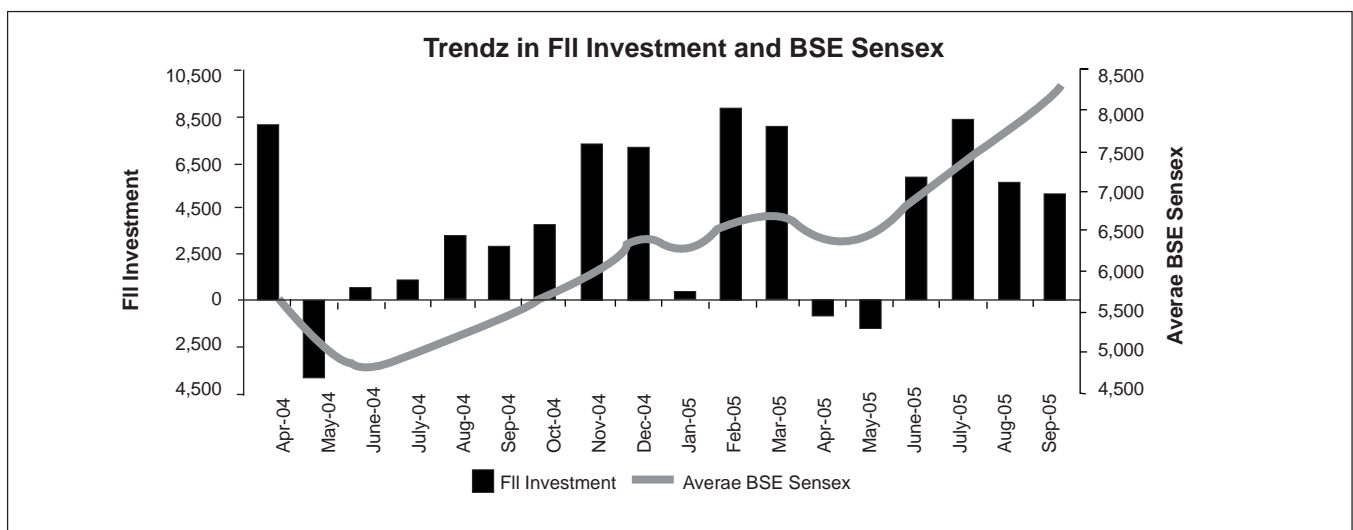
A] The Capital Markets in India.

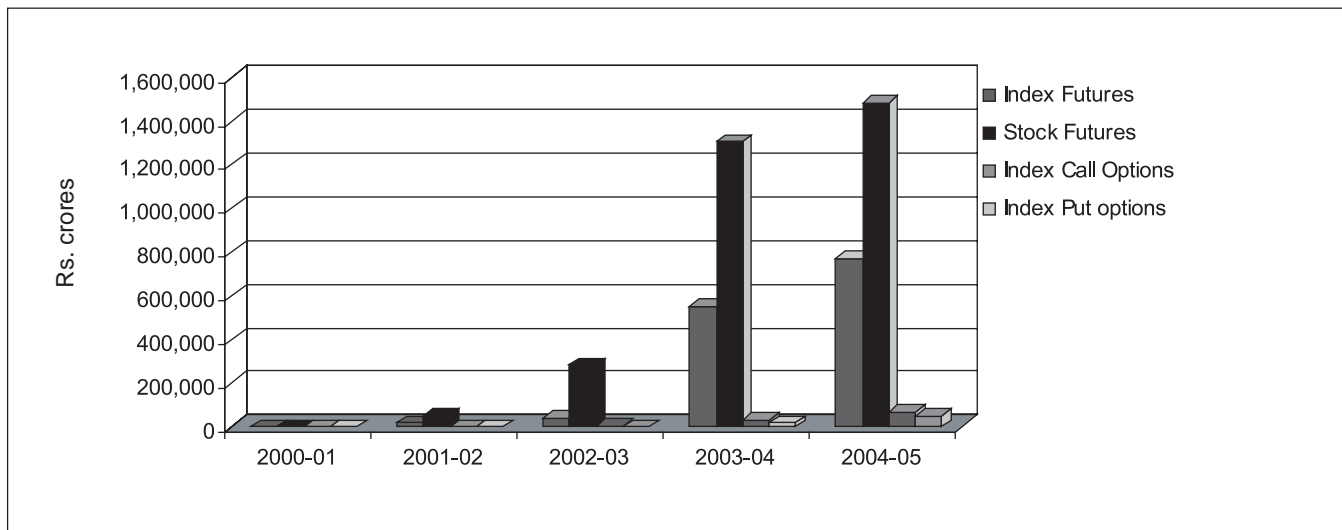
India's capital market is among the oldest in the world. In 1875, the first stock exchange was established in Mumbai and called the Bombay Stock Exchange or BSE (it is now BSE Ltd.). This gave birth to a trading culture that has blossomed over a century and three decades to become a large industry that is close to global standards in transparency and liquidity. India now has two premier national exchanges for trading in equity and derivatives instruments, the BSE and the NSE (National Stock Exchange), and several regional exchanges that cater to smaller sized companies particular to specific regions of the country.



Growth of trading volume on NSE from 1994-95 to 2004-05 Equity Segment

The NSE is generally considered to be the leading exchange in the terms of turnover volumes while the BSE's 30 scrip Sensitive Index is considered as the indicative index for gauging the condition of the market.





Growth of trading volume on NSE from 2000-01 to 2004-05 Derivative Segment

Besides equity, India also has very active commodities exchanges. The premier commodity exchanges in the country are the NCDEX, MCX and NMCE. Some of the categories of commodities traded on these exchanges are:

- | | |
|-------------|----------------|
| Bullion | Oil and Seeds |
| Spices | Metal |
| Fiber | Pulses |
| Cereals | Oil |
| Plantations | Petrochemicals |

As 70% of India's economic activity is centred around agriculture and agriculture related trade, the commodities market is essential for the growth of the country's economy. It is estimated that the commodities market will overtake the stock markets in the next decade.

India also has an active fixed income market which is largely dominated by government paper.

B] Trading and Risk Management

The Indian stock markets are quite sophisticated and are comparable with the markets in other prominent countries for their trading and settlement procedures and risk management policies.

Beginning April 1, 2003, the stock exchanges in India operate on a trading day plus two, or T+2, rolling settlement system. At the end of the T+2 period, obligations are settled with buyers of securities paying for and receiving securities, while sellers transfer and receive payment for securities. For example, trades executed on a Monday would typically be settled on a Wednesday. The SEBI proposes to subsequently move to a T+1 settlement system. In order to contain the risk arising out of the transactions entered into by the members of various stock exchanges either on their own account or on behalf of their clients, the Stock Exchanges have designed risk management procedures, which include compulsory prescribed margins on the individual broker members, based on their outstanding exposure in the market, as well as stock-specific margins from the members.

To restrict abnormal price volatility, SEBI has instructed stock exchanges to apply the following price bands calculated at the previous day's closing price (there are no restrictions on price movements of index stocks).

- **Market Wide Circuit Breakers.** Market wide circuit breakers are applied to the market for movement by 10%, 15% and 20% for the two prescribed market indices: the BSE Sensex for the BSE and the Nifty for the NSE. If any of these circuit breaker thresholds are reached, trading in all equity and equity derivatives markets nationwide is halted.
- **Price Bands.** Price bands are circuit filters of 20% movements either up or down, and are applied to most securities traded in the markets, excluding securities included in the BSE Sensex and the NSE Nifty and derivatives products.

C] The Dubai Gold and Commodities Exchange

The Dubai Gold and Commodities Exchange [DGCX] is the newest exchange in the world. It is a joint venture between the Dubai Metals and Commodities Centre (DMCC) Government of Dubai, Financial Technologies (India) Ltd. (FTIL) and Multi Commodity Exchange of India Ltd. (MCX). DGCX is an international commodities derivatives exchange, and the first such exchange in the time zone between Europe and the Far East. It will offer products of international significance with electronic trading access from anywhere in the world. DGCX went live in November 2005.

DGCX will draw on Dubai's traditional trading strengths - its geographically strategic location, world-class infrastructure and the rapidly developing markets of the region. These external strengths are supported by the management expertise of DGCX, deep domain knowledge of commodities spot and derivatives markets, state of the art technology and risk management capabilities. DGCX is a technology driven, non-mutual organization with an independent Board of Directors and professional management. It is committed to providing a world-class trading platform for a wide array of commodities, to implementing best global practices, with complete transparency and integrity.

Headquartered in Dubai, DGCX will be situated in the summit of DMCC's Au (Gold) Tower located in the DMCC Free Zone.

Products

DGCX will trade US \$ denominated standardized futures contracts and options on futures contracts on a number of commodities. Futures will be 'classic' futures, with designated delivery months. Options on futures contracts will also be traded.

- **Gold**
- **Silver**
- **Fuel Oil**
- **Steel**
- **Freight Rates**
- **Cotton**

Other products will be introduced as and when the feasibility arises.

D] Insurance

The Insurance Regulatory and Development Authority [IRDA] Act of 1999, was a landmark development in India's insurance sector. The closed insurance industry that comprised of only state insurance companies was opened up private participation and involvement of foreign players.

The Insurance industry, as on 01/04/2000, comprised mainly two players: the state insurers:

Life Insurers:

- Life Insurance Corporation of India (LIC)

General Insurers:

- General Insurance Corporation of India (GIC) (with effect from Dec'2000, a National Reinsurer)

GIC had four subsidiary companies, namely (with effect from Dec'2000, these subsidiaries have been de-linked from the parent company and made as independent insurance companies.)

1. The Oriental Insurance Company Limited
2. The New India Assurance Company Limited,
3. National Insurance Company Limited
4. United India Insurance Company Limited.

After the opening up of the sector, several new private players entered the market in collaboration with several of the world’s leading insurance companies:

Life Insurers	General Insurers
HDFC Standard Life Insurance Company Ltd.	Royal Sundaram Alliance Insurance Company Ltd.
Max New York Life Insurance Company Ltd.	Reliance General Insurance Company Ltd.
ICICI Prudential Life Insurance Company Ltd.	IFFCO Tokio General Insurance Company Ltd.
Kotak Mahindra Old Mutual Life Insurance Ltd.	TATA AIG General Insurance Company Ltd.
Birla Sun Life Insurance Company Ltd.	Bajaj Allianz General Insurance Company Ltd.
Tata AIG Life Insurance Company Ltd.	ICICI Lombard General Insurance Company Ltd.
SBI Life Insurance Company Ltd.	Cholamandalam General Insurance Company Ltd.
ING Vysya Life Insurance Company Private Ltd.	Export Credit Guarantee Corporation Ltd.
Bajaj Allianz Life Insurance Company Ltd.	HDFC – Chubb General Insurance Company Ltd.
Metlife India Insurance Company Pvt. Ltd.	
AMP Sanmar Life Insurance Company Ltd.	
Aviva Life Insurance Company India Pvt. Ltd.	
Sahara India Insurance Company Ltd.	

With only an estimated 20 % of the country’s insurable population currently insured and a total premium income of over US\$ 2.58 billion (life and general), the Indian market has tremendous potential for the insurance players.

E] Financial Product Distribution

As the effects of economic growth are becoming apparent in the improvement in the standards of living of the working population of the country, the need for avenues of investing disposable surplus income has grown rapidly. Previously, the surplus income used to be channeled into fixed income investments such as fixed deposits in banks and government bonds. But nowadays, people feel the need to participate and earn more from the economic growth of the country. Consequently the risk appetite of the investing population has expanded to include other financial products such as mutual funds, debentures, unit linked insurance plans, etc.

Many players have entered the market for the distribution of financial products. These range from small local financial advisors to large distribution companies with presence all across the country. Several banks have also begun the business of distribution of these products through their branches or have established separate divisions to handle this operation.

As financial products become more complex, the role of financial advisor becomes critical. The other emerging trend is the “one stop” concept instead of dealing with multiple specialists. Customers tend to have strong relations with one distributor who can satisfy all their investment needs from mutual funds to bonds.

BUSINESS

Overview

We are part of a prominent group of companies engaged in the financial services industry. Our operations include broking of equities, derivatives and commodities on the leading exchanges in India, insurance broking of both life and general insurance products, distribution of mutual funds and other personal investment products and portfolio management and financial advisory services.

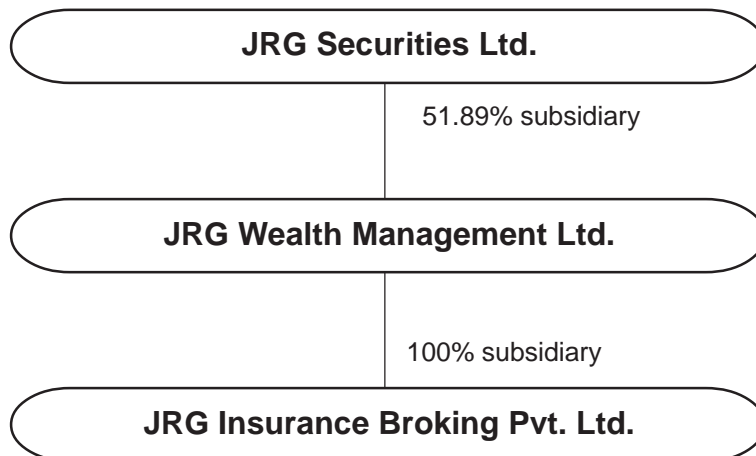
Our current operations are centred in the southern states of India, namely, Kerala, Tamil Nadu, Karnataka and Andhra Pradesh. We have offices in Mumbai and a few other cities in the rest of India. We currently operate out of a network of 310 trading centres throughout India, with all activities co-ordinated from our headquarters in Kochi, Kerala.

Our clientele is entirely composed of retail clients who number 21,350 across the country. We also have an office in Dubai which offers Indians in the Middle East, the opportunity to trade on the Indian stock exchanges. We offer our services over the phone and the internet. We are the first broking service in the country to offer the facility to trade commodities on the leading exchanges in India through specific mobile phones through special mobile trading service initiated with the help of Financial Technologies India Ltd. and Nokia.

As of September 30 2005, our company employed 380 people. We have a Human Resources department which oversees the recruitment, training and appraisal of all our employees.

In fiscal 2003, 2004 and 2005 our total income was Rs. 401.94 lacs, Rs. 641.27 lacs and Rs. 1004.64 lacs respectively. In the six months ending September 30, 2005, our total income stood at Rs. 761.90 lacs with a net profit of Rs. 68.33 lacs.

Current Corporate Structure



JRG Securities Limited. is headquartered in Kochi, in the state of Kerala in the southern part of India. The company took life as a partnership firm called JRG Associates, started by Mr. Regi Jacob, Mr. Giby Mathew and Mr. Jiji Antony in 1992. The firm was converted into a private limited company, JRG Associates Pvt. Ltd. in 1994 with the inclusion of a few of their close relatives and associates on the board as financial investors, and became a member of the Cochin Stock Exchange. The company initially focused on developing a client base in Kerala and Tamil Nadu and established several operation centres across these states.

In 1999, the company became a member of the NSE and in the following years, began to cultivate clients from Karnataka, Andhra Pradesh and Maharashtra. As the business developed, JRG intensified its operational reach in the southern states.

In August 2003, the company changed its name to JRG Securities Pvt. Ltd. in order to accurately reflect the business focus of the company. The following month, i.e. September 2003, the company was converted into a public limited company and over the next two years began operations in commodities and insurance broking and distribution of financial products. In March 2005, we became a member of the BSE.



Operations

The JRG group operates in the following business areas:

Brokerage	<ul style="list-style-type: none">• Stock Broking on the NSE, BSE• Derivatives broking on the NSE• Commodities broking on the MCX, NCDEX, NMCE and IPSTA
Depository	<ul style="list-style-type: none">• Depository participant of the NSDL
Insurance	<ul style="list-style-type: none">• Insurance Broking of life and non-life products from all insurance companies in India
Distribution	<ul style="list-style-type: none">• Distribution of mutual fund products from all of India's leading mutual fund houses
Advisory Services	<ul style="list-style-type: none">• Independent financial advisory services to retail clients

Brokerage services in equities, derivatives and commodities

Online brokerage

We offer subscribers real-time equity trading on the NSE and BSE and derivatives trading on the NSE. Apart from this we also offer commodities trading on the MCX, NCDEX, NMCE and IPSTA. Customers can directly place orders to buy and sell securities through our automated order processing system / internet trading. All our branches are connected via VSAT. Our system intelligence automatically checks the parameters of an order, together with the customer's available and necessary cash balance and positions held, before executing an order. We update all transaction and portfolio records to reflect trading activity on a real time basis.

Offline brokerage

We offer offline brokerage services through our branches. Clients can walk in and place orders with the dealer in the branch as well as call up and place orders over the telephone with their respective Relationship Manager/Dealer. The Risk Management system is centrally controlled and orders placed through branches are passed through pre-order validation process for availability and allocation of limits.

Trading through Mobile Phones

We are the first brokerage house in India to provide the facility to our clients to conduct real time commodities trading through specific mobile phones. This service has been developed and launched in collaboration with Financial Technologies India Ltd. and Nokia. Our service has been launched in the state of Kerala and we propose to extend this to clients in other states in a phased manner over the next year.

Middle East Operations

We have a consultancy office in Dubai, U.A.E., named JRG Strategic Management Consultancy, through which we offer broking consultancy services to Indians based in the Middle East.

Depository Services

We are a SEBI registered depository participant providing depository services of the NSDL. Through this we offer demat services to clients.

Broking of Insurance Products

India has witnessed a sea change in the insurance space with the introduction of the IRDA Act in 1999, which heralded the advent of private insurance companies in the Indian market for both life insurance and non-life/general insurance. JRG Insurance Broking Pvt. Ltd. is an IRDA registered Insurance Broker for both life and non-life products. We believe that there is tremendous scope for the development of the Indian retail market for insurance given its current low penetration levels. We solicit and distribute insurance products through IRDA approved designated branches.

Distribution of Mutual Funds and personal investment products

We offer retail distribution of personal financial products through our group company JRG Stocks and Shares Private Limited. Our branches also serve as retail distributors for mutual funds. Our employees solicit orders from customers, receive payment from the customer made out to the product provider and submit the orders and the customer's payment to the product provider. These branches also provide support to our online customers, and provide customer contact points for our online business which we believe helps in building good customer relationships.

We have expanded our business to include online distribution of mutual funds. Our online users are able to view and compare product offerings and download application forms, which they then submit to the product provider.

Advisory Services

We believe that wealth management and financial advisory services are a logical extension of our current product offering and research background. We believe that the wealth management industry in India is poised to witness rapid growth on the back of higher rate of savings, multiple investment opportunities and changing demographics. As part of our umbrella of offerings, we provide financial and investment advisory services to clients as well as help them manage their portfolio.

Our Operational Network

Our registered office has been taken on lease since 1994. The lessor is Mr. V. M. Joseph Velliapallil, who is not related to any of the promoters. The lease is free of encumbrance and is renewed every 11 months. We currently operate out of our headquarters in Cochin which is also taken on annual lease.

We currently have 12 regional offices which as listed below:

State	City	No. of Regional Offices	Address	Area (sq. ft.)
Kerala	Kottayam	1	Thannickel Towers, YMCA Road, Central Junction, Kottayam - 686 001	550
	Trichur	1	3 rd Floor, Pooma Complex, M G Road, Thrissur-1	1,150
	Calicut	1	1 st Floor, Metro Tower, Door No. 19/2084, B 16, Beat No.4, P V Swamy Road, Chalappuram, Calicut - 673 002	1,340
Karnataka	Bangalore	2	No.420, III Floor, Blue Moon Icon, 20th Main Road, 6th Block, Koramangala, Bangalore - 560 095	1,650
			JRG Securities Ltd Seva Sadan, 8 th Main Road, 3rd Block, Koramangala, Bangalore - 560 034	1,400
	Mysore	1	# 127, 1 st Floor, D - Devaraj Street, URS Road, Mysore - 01	720
	Mangalore	1	Tower B, 3 rd Floor, Rambhavan Complex, Kodailbail, Mangalore – 03	900



State	City	No. of Regional Offices	Address	Area (sq. ft.)
Tamil Nadu	Chennai	1	Ankur Plaza, No. 6, 2 nd Floor, #52, (NEW 113), G N Chetty Road, T. Nagar, Chennai - 600 017	981
	Madurai	1	Arul Malar Convent Road, 80 Feet Main Road, K K Nagar, Madurai - 625 020	1,150
Andhra Pradesh	Vishakhapatnam	1	Varanasi, Majestic Complex - A1, Dwarakanagar, 2 nd Lane, Visakhapatnam-530016	1,410
NCR	Noida	1	Shop No.122, Block-4, Sector-29, Ganga Shopping Complex, Noida, UP.	720
Punjab	Amritsar	1	122, Nirankari Avenue, G P Road, Adjacent to Coca-Cola Factory, Jandiala, Punjab - 143 115	582

We operate on decentralized management system wherein, we establish regional offices in key locations of the country which are in turn responsible for setting up and operating several trading centres within their addressable region of influence. All of the regional office operations are conducted from leased premises.

These regional offices cater to the operational oversight and monitoring of 310 regional trading centres that we currently have across the country. These regional offices are connected to their respective trading centres through dial-up networking for execution of trading orders and maintenance of back office records. The regional offices are connected to each other and our corporate headquarters through a mix of our own private VSAT network and NSE's VSAT network to ensure reliability, security and confidentiality.

Our consultancy office in Dubai is spread over an area of 780 sq. ft. and is located at the following address:

JRG Strategic Management Consultancy,
Suite No. 503, City Tower 1,
Sheikh Zayed Road,
Dubai, U.A.E.
P. O. Box No. 58124

OUR COMPETITIVE ADVANTAGES

We have a very large base of retail clients.

Our clients currently are exclusively retail in nature. Our client base is 21,350 in number. Since we largely have dealings with individuals and small businesses, we are able to retain all our clients on account of individualistic attention to our clients' needs. Additionally, our existing clients have proven to be a good source from which we have been able to garner new clients as our good will is spread by word-of-mouth.

Country-wide presence through a network of 310 trading centres. In addition we have offshoot operations in the Middle East.

We have put in place extensive initiatives to expand our reach throughout India. The establishment of trading centres in key locations in South India and in Mumbai city has enabled us to rapidly establish our presence throughout the South Indian states as well as cities in North and West India. Today, our network is 310 strong and growing. We also have a consultancy arm in the U.A.E. which is being converted into our wholly owned subsidiary under our project plans.

Team of qualified employees backed by full fledged in house training

We recruit and train qualified people after in-depth interviews and tests. In order to ensure that our employees are up to date with the latest practices in broking and technology, our employees undergo regular in-house training to update skills and knowledge. Our current employee strength is over 350 with over 450 NCFM certifications.

Memberships of all the major equity and commodity exchanges of the country

We are members on all the premier equity, derivative and commodity exchanges in the country. Thus we can offer our clients, trading facilities in these investment classes under one roof.

Multiple trading modes

In addition to the traditional method of placing trading orders with our dealer over the phone, our clients have the option of trading directly through the internet through accounts provided by us. When a client registers with us for a client account, he/she is given the option to open an internet trading account. Using this a client can conduct trades directly without needing to call our offices or speak to our dealers. Clients can avail of real time quotes, online order confirmation and other such features that are offered by India's leading internet trading services.

India's first mobile trading service for commodities

We have, in collaboration with FTIL and Nokia, launched a mobile trading platform for the commodities markets. Clients who sign up for this service can avail of real time trading in commodities using specified models of Nokia mobile phones. This service is the first of its kind in the country and has enabled us to take the pioneering position in value added broking services. This will enable us to add more clients as well as offer a stronger proposition to our existing ones.

Private VSAT network

We have 310 trading centres spread across the country through which we cater to our clients. The trading centres are networked using VSATs and dial-up connectivity. Our VSAT network is a combination of our own private VSATs and NSE's VSATs. Having a partly private network enables us to ensure complete security of our transactions as we are not sharing this with other companies. Additionally, we have the entire bandwidth and connection speed of the VSAT network at our disposal, ensuring that the order inputs from each of our offices is communicated to the respective exchanges with the minimum of lag.

One stop shop for financial services

We offer a range of financial services and investment products under one roof. We are members of all the premier stock exchanges and commodities exchanges, depository participants of the NSDL, licensed insurance brokers and distributors for mutual funds. Therefore our clients do not have to approach any other firm to avail of investment or trading opportunities and options. From stock and commodities broking and insurance to mutual funds, we offer all types of services and products related to the capital markets and investments. Thus we are able to retain our existing clients while capturing additional business from them and at the same time, we can offer a strong case of integrated services to attract new clients.

No proprietary trading

Our company strictly follows a policy of not allowing proprietary trades to be conducted by its employees and management. Thus our team can advise clients on the best options for them without any bias creeping into their judgement. This avoids any possibility of conflicts of interest arising due to vested interest in certain assets classes or securities.

OUR STRATEGIES
Expand outlet penetration to northern states

We have a strong presence in the states of Southern India and in Mumbai city. But our reach is relatively lacking in other important states such as Haryana, Madhya Pradesh, Rajasthan, West Bengal and Gujarat. We plan to open 30 new regional offices across India within the next year. These new offices will help us to expand our existing network of trading centres to include 1200 additional centres across the country. We will be in a position to garner business from several rich trading centres in Gujarat, Rajasthan, Haryana and West Bengal and spread our brand name to as yet untapped regions of the country.

Table of proposed distribution of new regional offices

State	City	No. of Regional Offices
Kerala	Thiruvananthapuram	1
Tamil Nadu	Chennai	1
	Coimbatore	1
	Trichy	1
Andhra Pradesh	Vijaywada	1
	Hyderabad	1
	Warangal	1
NCR	Delhi	1
Uttar Pradesh	Lucknow	1
	Kanpur	1
	Allahabad	1
Punjab	Chandigarh	1
	Rohtak	1
Gujarat	Ahmedabad	1
	Baroda	1
	Jamnagar	1
	Rajkot	1
	Surat	1
Rajasthan	Jaipur	1
	Jodhpur	1
	Udaipur	1
West Bengal	Kolkata	1
	Durgapur	1
	Siliguri	1
Madhya Pradesh	Bhopal	1
Maharashtra	Mumbai	1
	Pune	1
	Nagpur	1
	Aurangabad	1
	Kolhapur	1

Middle East operations

We plan to establish a wholly owned subsidiary in Dubai, as a DMCC company. This subsidiary will be registered in and will operate from the DMCC Free Zone in Dubai. We propose to gain membership of the DGCX and operate as a trading member to facilitate commodities broking on the DGCX for clients in the Middle East, India and Europe. The DGCX is the newest exchange in the world and is the only one of its kind in the Middle East. We believe that its operation will provide significant opportunities for trading as it will function in a time zone between Europe and South Asia which is as yet uncatered for. The exchange went live on November 22, 2005.

Sourcing of Institutional business

As of now, our clients are exclusively retail in nature. But we propose to diversify our client base by approaching insitiutional investors and convincing them to conduct their orders through us. We propose to initiate this strategy after we complete the establishment of the 30 new regional offices across the country. We believe that we can comfortably secure institutional business from the South Indian states, especially from Kerala and Tamil Nadu, as we have been operating in these areas for over a decade and have established and maintained a good reputation there.

Intensify use of modern technology to improve productivity and reduce errors

We propose to migrate all our back office processing from our, current in-house developed, back office solution to a state-of-the-art, web based solution from "Internet ExchangeNext.com Ltd." This solution is being used by several leading stock broking operations in the country and we believe that deploying this solution to integrate the back office processing from all of our offices will enable us to maintain better transaction records, reduce the scope for errors, give us up-to-date transaction information and make better use of our manpower.

In addition, we propose to upgrade the I.T. infrastructure at all our existing offices in preparation for the deployment of the new back office solution as well as to ensure scalability that will be required to cope with the additional business that we hope to generate from our business strategies.

Create innovative trading methods and continue to expand our addressable market

Given the low penetration of personal computers in India, especially in the non-metro and rural areas, and the comparatively higher growth in the use of mobile phones among the same population, we are the first brokerage company to have launched commodities trading services on the cellular phone platform in collaboration with FTIL and Nokia. This has helped us to develop a new market for our services among the farming community and traders in remote areas. We aim to continue to research and develop new methods of trading on the stock and commodities exchanges and use these services to create potential markets for new business. We believe that our pioneering efforts in these areas will result in opening up of new revenue streams for our company.



HISTORY OF THE COMPANY

JRG Securities Limited. is headquartered in Kochi, in the state of Kerala in the southern part of India. The company took life as a partnership firm called JRG Associates, started by Mr. Regi Jacob, Mr. Giby Mathew and Mr. Jiji Antony in 1992. The firm was converted into a private limited company, JRG Associates Pvt. Ltd. in 1994 with the inclusion of a few of their close relatives and associates on the board as financial investors, and became a member of the Cochin Stock Exchange. The company initially focused on developing a client base in Kerala and Tamil Nadu and established several operation centres across these states.

In 1999, the company became a member of the NSE and in the following years, began to cultivate clients from Karnataka, Andhra Pradesh and Maharashtra. As the business developed, JRG intensified its operational reach in the southern states.

In August 2003, the company changed its name to JRG Securities Pvt. Ltd. in order to accurately reflect the business focus of the company. The following month, i.e. September 2003, the company was converted into a public limited company and over the next two years began operations in commodities and insurance broking and distribution of financial products.

In March 2005, we became a member of the BSE.

Milestones achieved

1992	Started secondary Stock Market Operations
1994	Became a member of The Cochin Stock Exchange Ltd.
1995	Sub Broker of National Stock Exchange Ltd.
1999	Became a member of Inter Connected Stock Exchange Ltd.
1999	Became a member of The National Stock Exchange Ltd.
2000	Depository Participant of The National Securities Depository Ltd.
2000	Became a Sub-Broker of Bombay Stock Exchange
2000	Derivatives Trading Membership.
2000	Developed Branches across Kerala.
2001	Established Branch in Bangalore.
2003	Established Branch at Chennai
2005	Became a member of The Bombay Stock Exchange Ltd.
2005	Started operations in Maharashtra, UP, AP, Delhi & Punjab.

Main objects of the company

The main objects of the company are as follows:

(As set out in the Memorandum and Articles of Association of the Company)

“To carry on the business in securities as a member of stock exchanges and the business of brokers, traders, underwriters, investors and otherwise dealers in stocks, shares, debentures, securities, bonds and other financial instruments, to act as depository participants, to render demat services, corporate advisory services and to manage portfolio of services.”

Subsidiaries of JRG Securities Limited

1. JRG Wealth Management Limited

JRG Securities Ltd. holds a 51.89% stake in JRG Wealth Management Ltd. which is engaged in providing broking services in commodity futures. The company is a member on the MCX, NCDEX and the NMCE. It was incorporated as JRG Securities Pvt. Ltd. on 29th February, 1996 and later changed its name to JRG Wealth Management Pvt. Ltd. on 25th March, 2003. The company was then converted into a public limited company on 27th May, 2003 under the name of JRG Wealth Management Ltd.

Milestones Achieved

2003	Became a member of NMCE, Ahamedabad
2003	Became the first member of MCX, Mumbai.
2003	Formed 100% subsidiary called JRG Insurance Broking (P) Ltd
2004	Became a member of IPSTA, Kochi.
2004	Became a member of NCDEX, Mumbai
2005	Established a commodities trading terminal at the Tirupati Temple
2005	Sub. Membership to deal in the International Market.



Shareholding Pattern of JRG Wealth Management Ltd.

Name	No. of shares held	% holding
JRG Securities Ltd	4,67,000	51.89
Others	4,33,000	48.11
Total	9,00,000	100.00

Brief financials of the company:

(Rs. in lacs)

Particulars (year ending 31 st March)	2002-2003	2003-2004	2004-2005
Total Income	1.66	100.06	549.19
Profit / (loss) after tax (PAT)	(4.18)	17.79	59.39
Equity Share Capital	15.00	90.00	90.00
Reserves and Surplus	0.93	41.09	57.37
Earning per share (EPS) Rs.	(2.04)	1.23	4.07
Book Value (Face value of Rs. 10/- per share) Rs.	10.62	14.56	16.37

2. JRG Insurance Broking Pvt. Ltd.

JRG Insurance Broking Pvt. Ltd. is a wholly owned subsidiary of JRG Wealth Management Ltd. The company is engaged in the business of broking of life and non-life insurance and is an IRDA registered insurance broker.

The company was originally incorporated as JRG Infosolution Pvt. Ltd. on 22nd February, 2000. The company then changed its name to JRG Financial Services Pvt. Ltd. on 03rd June, 2002 to better reflect its new business focus. Subsequently, the name was changed to JRG Insurance Broking Pvt. Ltd. on 21st October, 2003, to specifically denote its line of business.

Milestones Achieved

2003 Became an IRDA registered and licensed Insurance Broker

Shareholding Pattern of JRG Insurance Broking Pvt. Ltd.

Name	No. of shares held	% holding
JRG Wealth Management Ltd	5,00,000	100.00
Total	5,00,000	100.00

Brief financials of the company:

(Rs. in lacs)

Particulars (year ending 31 st March)	2002-2003	2003-2004	2004-2005
Total Income	1.33	13.26	48.34
Profit / (loss) after tax (PAT)	(0.26)	(19.94)	2.79
Equity Share Capital	1.01	50.00	50.00
Reserves and Surplus	—	—	—
Earning per share (EPS) Rs.	(3.95)	(5.97)	0.32
Book Value (Face value of Rs. 10/- per share) Rs.	6.24	7.37	7.69

Strategic & Financial Partners

The company does not have any strategic/ financial partner.

Other Agreements

Except the contracts/agreements entered 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.

MANAGEMENT
BOARD OF DIRECTORS OF THE COMPANY

No.	Name, Designation, Age and Address	Expiration of Current Term	Other Directorships	No. of equity shares of Rs. 10 each
1.	Mr. T. M. Venkataraman Chairman 66 years, Flat No. D, Venkat Darshan, 8, Second Canal Cross Road, Gandhi Nagar, Adyar, Chennai – 600 020	Appointed as Additional Director to hold office upto the date of next AGM on 28.10.2005	<ul style="list-style-type: none"> ● Hotel Radha Pvt. Ltd. ● Menon Hotels and Resorts Ltd. ● Menon Financial Services Ltd. ● Narmada Textile Ltd. 	—
2.	Mr. Regi Jacob, Managing Director 39 years, Mangalam Towers, NH 47 Bye Pass, Kochi-682 028	Appointed as Whole-time Director for a period of 5 years w.e.f. 01.10.2003 to 30.09.2008	<ul style="list-style-type: none"> ● JRG Wealth Management Ltd. ● JRG Insurance Broking Pvt. Ltd. ● JRG Stocks & Shares Pvt. Ltd. 	17,03,050
3.	Mr. Giby Mathew Director 36 years, 5B, Skyline Marble Arch, Kaloor, Kochi – 682 017	Appointed as Whole-time Director for a period of 5 years w.e.f. 01.10.2003 to 30.09.2008	<ul style="list-style-type: none"> ● JRG Wealth Management Ltd. ● JRG Insurance Broking Pvt. Ltd. ● JRG Stocks & Shares Pvt. Ltd. 	15,93,500
4.	Mr. Jiji Antony Director 39 years, Mathothu House Arunapuram PO Pala 686 574	Director liable to retire by rotation at the AGM.	<ul style="list-style-type: none"> ● JRG Wealth Management Ltd. ● JRG Insurance Broking Pvt. Ltd. ● JRG Stocks & Shares Pvt. Ltd. 	16,19,600
5.	Mr. S. K. K. Nair Director 57 years, 879, Abhayam, Janata Road, Vytila, Kochi – 682 019	Appointed as Additional Director u/s 260, to hold office upto the date of next AGM	<ul style="list-style-type: none"> ● MFar Hotels Ltd. ● MFar Beach Resorts Ltd. ● Indo German Carbons Ltd. ● Galfar India (Pvt.) Ltd. ● Cochin Tours and Travels Pvt. Ltd. ● Management Manthra Pvt. Ltd. 	—
6.	Mr. Mathew Jacob Director 57 years, Thalavayalil Palachuvadu Kochi – 682 030	Appointed as Whole-time Director for a period of 5 years w.e.f. 31.01.2004 to 30.01.2009	NIL	60,900

Mr. T. M. Venkataraman has over 43 years of banking experience. He holds a Bachelor's degree in Commerce and holds the C.A.I.I.B. qualification. He joined the field of banking in 1959 and his experience includes holding the post of General Manager of Union Bank and heading Dhanalakshmi Bank, Trichur as its Chairman and Chief Executive.

Mr. Regi Jacob, aged 39 years, is a Post Graduate in Journalism and Literature from the Madras Christian College. He has worked with Hindustan Times, New Delhi as a Sub-Editor for two years.

Mr. Giby Mathew, aged 36 years, is a Post Graduate in Journalism from the Madras Christian College and has worked with UNI, New Delhi for a year before co-promoting JRG with Regi Jacob in 1992.

Mr. Jiji Antony, aged 38 years, is a commerce graduate and was an NRI for three years. He has worked for the Indian Embassy at Vienna, Austria. He is a co-promoter of JRG

Mr. S. K. K. Nair has over 35 years of experience across various companies. He held positions in supervisory and senior management in varied fields such as the Public Works Department, Kerala State Road Transport Corporation Kerala State Industrial Development Corporation. He was the Managing Director in Kerala Public Sector Companies such as Kerala Auto Mobiles, Trivandrum, Kerala Shipping and Inland Navigation Corporation, Kochi and the Chief Executive in Private Sector Companies including Galfar (India) Ltd., MFar Hotels Ltd. the owning company of Le-Meridien Kochi etc. He presently is a freelance management consultant in Kochi.

Mr. Mathew Jacob graduated in 1970 and was engaged in plantation related activities for several years. He has been an active investor since 1985. He joined the board of JRG in 1994 as a director with equity participation.

DETAILS OF BORROWING POWER

The borrowing power of the Board is Rs. 20.00 crores as per resolution passed at the Extraordinary General Meeting held on 28/10/2005.

COMPENSATION OF MANAGEMENT DIRECTORS/WHOLE TIME DIRECTORS

1) Mr. Regi Jacob

The Company has appointed Mr. Regi Jacob as Managing Director of the company for a period of 5 years w.e.f. 01/10/2003. Vide resolution passed at the EGM held on 28/10/2005, he will be entitled to a remuneration, and shall be restricted to such amount that the total remuneration by way of salary, commission and other perquisites/benefits paid in respect of any financial year paid to the Managing Director shall not exceed Rs. 15,00,000/- per annum.

2) Mr. Mathew Jacob

The Company has appointed Mr. Mathew Jacob as a Wholetime Director of the company for a period of 5 years w.e.f. 31/01/2004. Vide resolution passed at the EGM held on 28/10/2005, he will be entitled to a remuneration, and shall be restricted to such amount that the total remuneration by way of salary, commission and other perquisites/benefits paid in respect of any financial year paid to him shall not exceed Rs. 5,00,000/- per annum.

Mr. Giby Mathew and Mr. Jiji Antony are directors on the board of our subsidiary companies and receive compensation from the respective companies.

CORPORATE GOVERNANCE

The Company has complied with SEBI guidelines in respect of Corporate Governance specially with respect to broad basing the Board, constituting various committees. The various committees formed for the purpose of Corporate Governance are listed below:-

AUDIT COMMITTEE

Name of the Director	Designation	Status
T. M. Venkataraman	Chairman	Independent
S. K. K. Nair	Member	Independent
Giby Mathew	Member	Non-independent, Executive

REMUNERATION COMMITTEE

Name of the Director	Designation	Status
T. M. Venkataraman	Chairman	Independent
S. K. K. Nair	Member	Independent
Jiji Antony	Member	Non-independent, Executive

INVESTOR GRIEVANCE COMMITTEE

Name of the Director	Designation	Status
T. M. Venkataraman	Chairman	Independent
S. K. K. Nair	Member	Independent
Jiji Antony	Member	Non-independent, Executive

Name of the Director	Designation	Status	Name of the Committee in which the director is a Member.
T. M. Venkataraman	Chairman (Non-Executive)	Independent	Audit Committee, Remuneration Committee, Investor Grievance Committee
S. K. K. Nair	Director	Independent	Audit Committee, Remuneration Committee, Investor Grievance Committee
Giby Mathew	Director	Non-independent	Audit Committee
Jiji Antony	Director	Non-independent	Remuneration Committee, Investor Grievance Committee

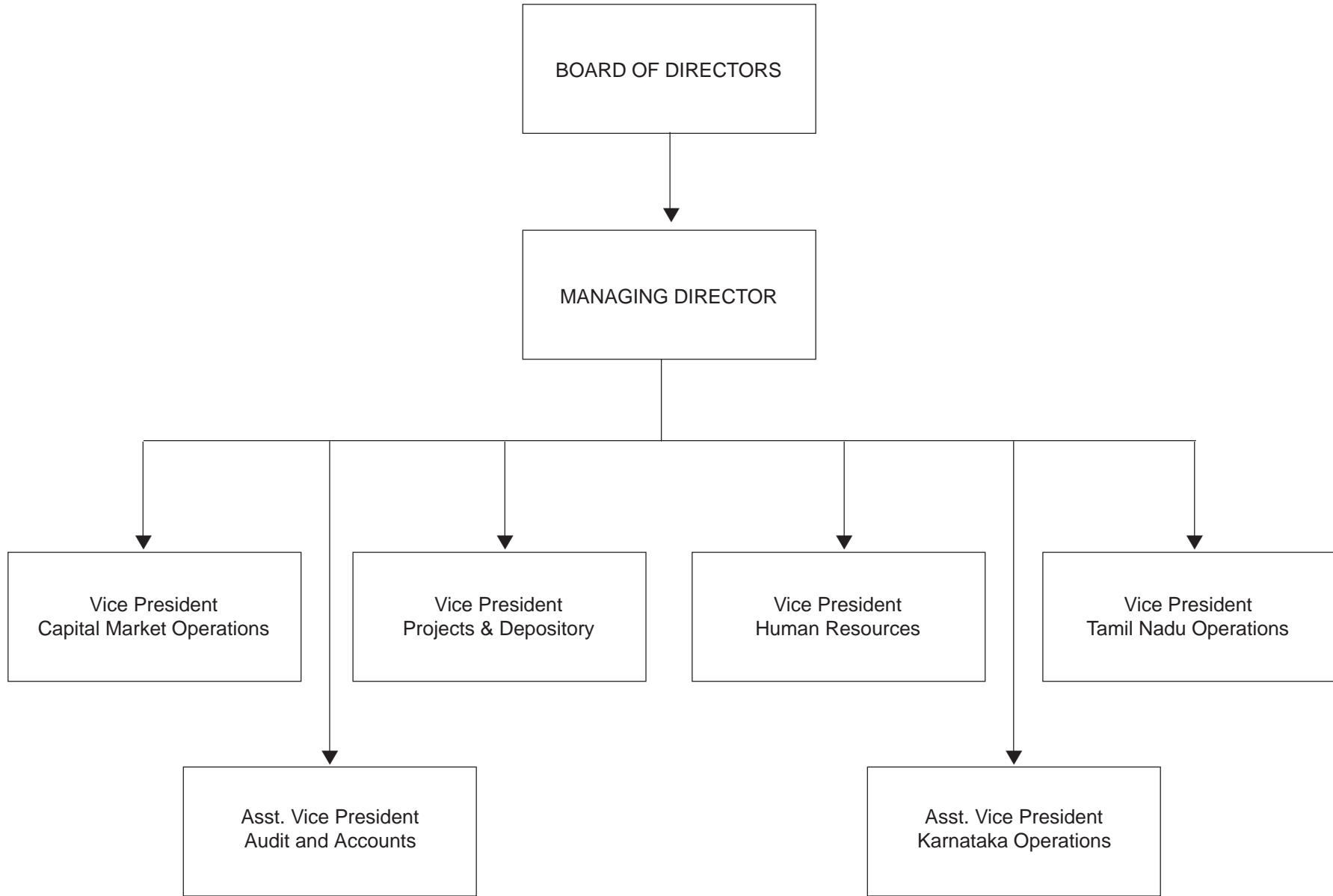
INTEREST OF PROMOTERS/DIRECTORS

All the Directors may be deemed to be interested to the extent of reimbursement of expenses, if any, payable to them under the articles. The Directors may also be deemed to be interested to the extent of the shares, if any, held by them or by the relatives or by firms or companies of which any of them is a partner and a Director/ Member respectively and the shares if any, out of the present Offer that may be subscribed for and allotted to them or their relatives or any Company in which they are Directors / members of firms in which they are partners. There are no existing service contracts of any of the directors with the Company providing for benefits upon termination of employment.

Changes in the directors during the last three years and reasons thereof:

Sr. No.	Name	Date of Appointment	Date of Resignation	Reason for change
1.	Kurian Bose	05/01/2004	19/09/2005	Resigned due to personal inconvenience (NRI Status)
2.	M. J. Antony	Since Incorporation	28/10/2005	To reconstitute the board
3.	Jerry Mathew	Since Incorporation	28/10/2005	To reconstitute the board
4.	Jose Thomas	Since Incorporation	28/10/2005	To reconstitute the board
5.	T. M. Venkataraman	28/10/2005	—	To broadbase the board
6.	S. K. K. Nair	28/10/2005	—	To broadbase the board

MANAGEMENT ORGANISATION STRUCTURE



MANAGERIAL COMPETENCE & KEY MANAGERIAL PERSONNEL

The Company is managed by its Board of Directors, assisted by qualified professionals, with vast experience in the field of finance, marketing and corporate laws. The brief detail of the key managerial personnel is given below:

Name, Address, Designation	Age (years)	Qualification	Experience in the Company (years)	Total No. of years of Experience and the nature of experience	Annual Compensation (Rs.)
Gijo T Rockey Thannivalil, Pazhayidom, Kottayam VP – Capital Market Operations	30	B. Com.	5	6 years Dealer, Back Office, Clearing	2,47,500
Sajith Kumar P. K. Sowparnika Parakkadathu Koyickal Kannankulangara Tripunithura Ernakulam - 682 301 VP – Projects & Depository	34	MCA	5	10 years System Operation, ISE, System Operation, CSE	2,47,500
Antony K. Thurutheal Kalayanthani P.O. Thodupuzha Iddukki – 685 588 VP – Tamil Nadu Operations	29	M. Com.	2.5	5.5 years Branch Manager, Asst. Manager Sales	3,35,000
Arun Natarajan T.C 13/2132, Rajasudha, Medical College P.O., Trivandrum – 695 011 VP – Human Resources	34	PGDPM	10 months	9 years H.R Personnel, Industrial Relations	2,47,500
Biju Xaviour Thayil House, Machiplavu, Adimal, Iddukki AVP – Audit and Accounts	34	C. A. Inter	4	7 years Accounts and Finance	2,15,000
Jacob M. T. Moolayil House, Cherthala, Alapuzha – 688 524 AVP – Karnataka Operations	33	B. Com.	4	4 years Accounts, Branch Manager	3,70,000

All the abovementioned key managerial personnel are permanent employees of the company.

The remuneration of each of the key managerial personnel is as per the provisions of Section 217(2A) of the Companies Act, 1956. The Company has not offered any profit sharing plan to its Key Managerial Personnel.

None of the key managerial personnel is holding any shares of the Company as on the date of this Prospectus with the exception of Mr. Gijo T. Rockey, who holds 6,000 shares of the Company.

Changes in the Key Managerial Personnel in the Last Three Years

No.	Name	Designation	Date of appointment	Date of resignation (if applicable)
1.	Antony K. Thurutheal	VP - Tamilnadu Operation	01.12.2002	N.A
2.	Arun Natarajan	VP - HR	01.01.2005	N.A

In the last two years, we have not recorded any turnover of our Key Managerial Personnel. On the whole, our Company has an average employee turnover ratio of less than 3%.

Interest of Key Managerial Personnel

No amount or benefit has been paid or given within the two preceding years or are intended to be given to any of the Directors or Key Managerial Personnel except the normal remuneration for services rendered as directors, officers or employees.

Disclosures Regarding Employees Stock Option Scheme/Employee Stock Purchase Scheme

The JRG Employee Stock Option Plan 2005 was implemented, effective from 03 September 2005, so as to secure greater employee participation by providing a reward for loyalty and commitment to the Company, and an incentive to attract, retain and reward Employees performing Services and by motivating such Employees to contribute to the growth and profitability of the Company. The members ratified this scheme with retrospective effect on 28 October 2005. There were no Stock Option Plans in place for the employees of the Company prior to implementation of JRG ESOP 2005.

JRG ESOP 2005 provides to grant options exercisable into shares or securities convertible into 1.92 % of the paid up equity capital of the company at any point in time, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant authorities; to officers, directors and key employees, with each such option conferring a right upon the employee to apply for one equity share of the Company, in accordance with the terms and conditions of such issue.

The Company has granted 179,100 options under ESOP 2005 to Eligible employees on 03 September 2005 based on their criticality, designation, length of Service, future potential etc. The options granted have been at an exercise price of Rs. 10 per Option (Face Value). All options granted vest completely by 2009. Vesting is in the ratio of 20%, 30% and 50% in January 2007, 2008 and 2009 respectively.

No options have been granted, vested, exercised or cancelled in any of the preceding financial years under this or any other ESOP scheme.

Under the said ESOP scheme, as of September 30, 2005, 1,79,100 options have been granted, although no equity shares have been issued to date and hence no money has been realized from the exercise of options.

Details regarding options granted to our Key Managerial employees are set forth below:

Sr. No.	Name of Key Managerial Personnel	No. of options granted under ESOP 2005
1	Gijo T Rockey	6,450
2	Sajith Kumar P K	6,450
3	Antony K Thurutheal	5,160
4	Arun Natarajan	3,420
5	Biju Xaviour	6,450
6	Jacob M T	6,450

Under JRG ESOP 2005, no employee has been granted options entitling him/her to subscribe to more than 1% of the equity share capital of the company during the last/current fiscal.




There are no employees who have received, in any one-year, a grant of options amounting to 5% or more of the options granted during that year.

Payment or Benefit to the Officers of the Issuer Company

There are no non-salary related benefits granted by the company to its key managerial personnel.



PROMOTERS

	<p>Mr. Regi Jacob, aged 39 years, is a Post Graduate in Journalism and Literature from the Madras Christian College. He has worked with Hindustan Times, New Delhi as a Sub-Editor for two years.</p> <p>Residential Address : Mangalam Towers, NH 47 Bye Pass, Kochi-682 028 PAN : ACMPJ6234D Bank A/c no. : 310100000873 – HDF C Bank Voter ID : — Passport No. : B 5360297 Driving License no. : KP / 1292 / 87</p>
	<p>Mr. Giby Mathew, aged 36 years, is a Post Graduate in Journalism from the Madras Christian College and has worked with UNI, New Delhi for a year before co-promoting JRG with Regi Jacob in 1992.</p> <p>Residential Address : 5B, Skyline Marble Arch, Kaloor, Kochi – 682 017 PAN : AEEP4138H Bank A/c no. : 108.1.2095 – Dhanalakshmi Bank, Kaloor Voter ID : — Passport No. : E 1492856 Driving License no. : T / 8303 / 88</p>
	<p>Mr. Jiji Antony, aged 38 years, is a commerce graduate and was an NRI for three years. Worked for Indian Embassy at Vienna, Austria. He is a co-promoter of JRG</p> <p>Residential Address : Mathothu House, Arunapuram PO, Pala 686 574 PAN : AGDPA9292P Bank A/c no. : 148.1.1088 – Dhanalakshmi Bank, Kaloor Voter ID : — Passport No. : A 7109234 Driving License no. : K / 944 / 87</p>

The above details of the promoters have been submitted to BSE.

For related party transactions, please refer to the section entitled “Related Party Disclosures” beginning on page 61 of this Prospectus.

COMMON PURSUITS

JRG Securities Ltd. and its subsidiary JRG Wealth Management Ltd. are engaged in broking activities. JRG Securities Ltd. is exclusively engaged in broking in the equity and derivatives market segments whereas JRG Wealth Management Ltd. is engaged exclusively in commodities broking. JRG Wealth Management Ltd. is a 51.89% subsidiary of JRG Securities Ltd. Hence there is no conflict of interest situation.

CURRENCY OF PRESENTATION

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

DIVIDEND POLICY

The company follows a policy of rewarding the shareholders with dividend. The company has been consistently paying dividend to its shareholders whenever it reports distributable surplus. The dividend payout track record for the preceding six financial years is as under:

Financial Year	%	Rs. (lacs)
2004-2005	10	22.05
2003-2004	5	11.03
2002-2003	-	-
2001-2002	2	3.15
2000-2001	5	7.88
1999-2000	10	12.10

PART II

SECTION IV: FINANCIAL INFORMATION

AUDITORS REPORT

The Board of Directors,
JRG Securities Limited,
Velliapallil Building,
T B Road, Pala.

Dear Sirs,

We have examined the Financial Information of JRG Securities Limited ('The Company') as attached to this report, stamped and initialed by us for identification and as approved by the Board of Directors Resolution of the Company which has been prepared in accordance with -

Paragraph B (1) of Part II of Schedule VI of the Company's Act, 1956 (the Act) and amendments thereof:

Securities and Exchange Board of India ('SEBI') (Disclosure and Investor Protection) Guidelines, 2000 ('the Guidelines') issued by Securities and Exchange Board of India (SEBI) and amendments thereof from time to time, to the extent applicable, in pursuance of subsection (1) of section 11 the Securities and Exchange Board of India Act 1992; and

The instruction dated 28.02.2006 received from the Company, requesting us to examine the financial information referred to above and proposed to be included in the Prospectus of the Company in connection with its proposed issue of Equity Shares of Rs 10 each, at such Premium, as may be decided by the Board of Directors.

Financial Information of the Company.

1. We have examined the attached Statement of Assets and Liabilities of the Company as at March 31, 2001, 2002, 2003, 2004, 2005 and till December 2005 (**Annexure I**) and the accompanying Statement of Profit and Loss of the Company for the Financial Years ended on March 31, 2001, 2002, 2003, 2004, 2005 and till December 2005 (**Annexure II**), together referred to as 'Summary Statements' as prepared by the Company and approved by the Board of Directors after making there in the disclosure and adjustments wherever applicable and which are required to be made in accordance with the provision of paragraph 6.10.2 of the Guidelines. These statements reflect the Assets and Liabilities and Profits and Losses for each of the relevant years as extracted from the Balance Sheet and Profit and Loss Account audited by other auditors, G Joseph and Associates for the years ended March 31, 2001, 2002, 2003, 2004, 2005 and audited by us for the nine months ended December 31, 2005 after carrying out the adjustment referred to in paragraphs 2 below :
2. Based on our examination of these Summary Statement, we confirm that :
 - The impact of changes in accounting policies adopted by the Company has been disclosed with retrospective effect.
 - There are no extra ordinary items which are to be disclosed separately in the Summary Statements.
3. We have examined the following financial information of the Company, proposed to be included in the Letter of Offer, as approved by Board of of Director of the Company and attached to this report :
 - (i) The significant accounting policies followed by the Company and notes pertaining to the Summary Statement enclosed as **Annexure III**.
 - (ii) Notes on Accounts enclosed as **Annexure IV**.
 - (iii) Cash Flow Statements for the year ended March 31, 2001, 2002, 2003, 2004, 2005 and 31.12.2005, enclosed as **Annexure V**.
 - (iv) Statement of dividend paid / proposed by the Company for the years ended March 31, 2001, 2002, 2003, 2004 and 2005, enclosed as **Annexure VI**.



- (v) Summary of Accounting Ratios based on the adjusted profits relating to earnings per share, net asset value and returns on net worth, enclosed as **Annexure VII**.
 - (vi) Statement of Capitalization as at 31.12.05 & 31.03.05 (Pre Issue) and as adjusted for this issue (Post Issue) subject to reliance being placed on management representation in respect of Post Issue figure contained in the Statement of Capitalization, enclosed as **Annexure VIII**.
 - (vii) Statement of Tax Shelter, enclosed as **Annexure IX**.
 - (viii) Details of items of Other Income enclosed as **Annexure X**.
 - (ix) Statement of Sundry Debtors (Unsecured), with names and amounts of top ten debtors enclosed as **Annexure XI**.
 - (x) Statement of Loans and Advances (Unsecured), with break up enclosed as **Annexure XII**.
 - (xi) Statement of Secured Loans, enclosed as **Annexure XIII**.
 - (xii) Statement of Related Party Transactions, enclosed as **Annexure XIV**.
 - (xiii) Statement of Investments with break up enclosed as **Annexure XV**
 - (xiii) Statement of Working Capital facilities, enclosed as **Annexure XVI**.
3. Except for the information referred to in the aforesaid Annexures, other pages of the Prospectus have been not reviewed by us.
4. This report is intended solely for your information and for inclusion in the Prospectus in connection with the proposed public issue of the Company and is not to be used referred to or distributed for any other purpose without our prior written consent.

Thanking you,
For JVR & Associates
Chartered Accountants

Jomon K. George
Membership No. 202144

Cochin 20,
01.03.06

ANNEXURE – I
STATEMENT OF PROFITS AND LOSSES
(Rs. in lacs)

	Year ended 31/03/2001	Year ended 31/03/2002	Year ended 31/03/2003	Year ended 31/03/2004	Year ended 31/03/2005	Nine months ended 31/12/2005
Income						
Operations:						
a) Income from Stock Broking	214.74	182.09	241.42	623.41	978.81	1112.58
b) Income from DP services	-	-	2.23	9.92	7.35	22.22
Dividend from Subsidiary	-	-	-	4.71	8.67	-
Interest	-	-	3.51	3.23	9.81	17.40
Other Income		12.43	20.11	-	-	-
-						
Total (A)	227.17	202.20	247.16	641.27	1004.64	1152.20
Expenditure						
Trading Expenses	17.59	30.26	128.42	369.00	444.90	609.95
Employee Remuneration & Benefits	18.67	36.73	41.48	60.24	115.19	140.12
Administrative Expenses	85.43	75.75	90.97	142.78	139.46	166.22
Interest & Financial Expenses	15.61	27.76	23.06	25.26	26.31	23.51
Depreciation	10.70	20.80	25.57	28.96	22.71	21.81
Intangible Assets w/off	-	-	-	-	23.24	19.25
Total (B)	148.00	191.30	309.50	626.24	771.81	980.88
Net Profit before tax	79.17	10.90	(62.34)	15.03	232.83	171.32
Provision for taxation :						
- Current	12.50	0.75	-	1.25	43.50	43.92
- Deferred	-	-	(22.17)	4.39	41.39	20.02
Profit after taxation	66.67	10.15	(40.17)	9.39	147.94	107.38
Intangible Assets written of relating to earlier years	-	-	-	-	(18.15)	-
Reduction in Deferred Tax Liability	-	-	(23.78)	-	6.11	-
Brought Forward Profits	6.72	63.74	70.74	6.79	3.74	114.71
Profits available for Appropriation	73.39	73.89	6.79	16.18	139.64	222.09
Appropriation :-						
Proposed Dividend	(7.87)	(3.15)	-	(11.03)	(22.05)	-
Corporate Tax on Dividend	(1.78)	-	-	(1.41)	(2.88)	-
Less: Capitalized during the period	-	-	-	-	-	113.50
Profit and Loss Account Balance	63.74	70.74	6.79	3.74	114.71	108.59

Note: On account of the change in accounting policy on computer software, the profit for the year ended 31/03/2005 is less by Rs. 19.16 lacs.

STATEMENT OF PROFITS AND LOSSES [CONSOLIDATED]
(Rs. in lacs)

	* Year ended 31/03/2005	* Nine months ended 31/12/2005
Income		
Operations:		
a) Income from Stock Broking	978.81	1112.57
b) Income from DP services	7.35	22.22
c) Commodity Broking	531.07	573.56
d) Insurance Commission	47.67	45.07
Dividend from Subsidiary	8.67	-
Interest	9.81	32.32
Other Income	-	-
Total (A)	1593.51	1785.74
Expenditure		
Trading Expenses	800.32	929.96
Employee Remuneration & Benefits	127.76	148.75
Administrative Expenses	294.93	375.25
Interest & Financial Expenses	28.56	44.03
Depreciation	32.35	33.72
Intangible Assets w/off	23.24	23.97
Total (B)	1307.16	1555.67
Net Profit before tax	286.35	230.07
Provision for taxation :		
- Current	60.17	51.92
- Deferred	48.67	31.84
Profit after taxation	177.51	146.31
Intangible Assets written of relating to earlier years	(18.15)	-
Reduction in Deferred Tax Liability	6.11	-
Brought Forward Profits	(8.82)	117.37
Profits available for Appropriation	156.65	263.68
Appropriation :-		
Proposed Dividend	(31.38)	-
Corporate Tax on Dividend	(5.23)	-
Capital Reserve on consolidation	5.51	(0.25)
Minority interest in share of profit	(8.18)	(16.22)
Profit and Loss Account Balance	117.37	247.21

*** Consolidated Figures**

Note: On account of the change in accounting policy on computer software, the profit for the year ended 31/03/2005 is less by Rs. 19.16 lacs.

ANNEXURE – II
STATEMENT OF ASSETS AND LIABILITIES
(Rs. in lacs)

	Year ended 31/03/2001	Year ended 31/03/2002	Year ended 31/03/2003	Year ended 31/03/2004	Year ended 31/03/2005	Nine months ended 31/12/2005
A Fixed Assets :						
Gross Block	185.82	208.67	232.76	273.52	307.07	538.96
Less : Depreciation	15.24	36.04	61.62	90.55	84.08	195.71
Net Block	170.58	172.63	171.14	182.97	222.99	343.25
Less : Revaluation Reserve	-	-	-	-	-	-
Net Block after adjustment for Revaluation Reserve	170.58	172.63	171.14	182.97	222.99	343.25
B Current Assets, Loans and Advances :						
Stock-in-trade	1.42	2.05	9.95	-	-	-
Sundry Debtors	91.27	164.21	162.23	401.87	670.72	1155.68
Cash and Bank Balances	9.20	16.75	37.63	175.77	483.70	660.72
Interest Accrued on Deposits	3.53	4.07	3.10	-	-	-
Other Current Assets	0.66	23.17	24.35	3.34	48.65	62.59
Loans and Advances:	51.06	74.26	65.88	56.97	105.92	108.77
Deposits	300.68	232.33	167.08	240.79	322.84	493.57
	457.82	516.84	470.22	878.74	1631.83	2481.33
C Investments	12.05	12.64	12.16	61.33	61.53	64.71
D Liabilities & Provisions :						
Secured Loans	90.20	85.95	93.15	99.16	82.46	0.00
Unsecured Loans	-	-	-	-	-	-
Deferred Tax Liability	-	-	1.61	6.00	41.29	61.32
Current Liabilities	301.57	360.45	303.98	766.13	1429.89	1802.88
Networth	248.68	255.71	254.78	251.75	362.71	1025.09
E Networth Represented by						
1. Share Capital	157.50	157.50	220.50	220.50	220.50	916.50
2. Reserves	91.23	98.24	34.29	31.25	142.21	108.59
Less : Revaluation Reserve	-	-	-	-	-	-
Miscellaneous Expenditure (to the extent not written off or adjusted)	0.05	0.03	0.01	0.00	0.00	0.00
Networth	248.68	255.71	254.78	251.75	362.71	1025.09

STATEMENT OF ASSETS AND LIABILITIES [CONSOLIDATED]
(Rs. In lacs)

	* Year ended 31/03/2005	* Nine months ended 31/12/2005
A Fixed Assets :		
Gross Block	447.58	788.58
Less : Depreciation	108.78	237.07
Net Block	338.80	551.51
Less : Revaluation Reserve		
Net Block after adjustment for Revaluation Reserve	338.80	551.51
B Current Assets, Loans and Advances :		
Stock-in-trade	-	-
Sundry Debtors	958.24	1643.56
Cash and Bank Balances	611.01	873.72
Interest Accrued on Deposits	-	-
Other Current Assets	49.53	64.06
Loans and Advances:	116.63	143.08
Deposits	1038.90	1139.23
	2774.31	3863.65
C Investments	9.00	9.00
D Liabilities & Provisions :		
Secured Loans	106.21	0.00
Unsecured Loans	11.19	2.83
Deferred Tax Liability	42.08	73.92
Current Liabilities	2516.63	3203.29
Networth	446.00	1144.12
E Networth Represented by		
1. Share Capital	220.50	916.50
2. Reserves	154.10	141.36
Less : Revaluation Reserve	-	-
Miscellaneous Expenditure (to the extent not written off or adjusted)	0.00	0.00
Minority Interest	71.40	86.26
Networth	446.00	1144.12

*** Consolidated figures**

SIGNIFICANT ACCOUNTING POLICIES:

The significant accounting policies followed by the Company are stated below:

a. Basis of accounting.

The financial statements are prepared on historical cost convention and in accordance with accounting standards applicable in India and the relevant requirements of The Companies Act, 1956.

b. Fixed Assets and Depreciation.

Fixed assets are stated at historical cost as reduced by accumulated depreciation.

Depreciation is provided on fixed assets under Straight Line Method at the rates and in the manner given under schedule XIV of The Companies Act 1956.

c. Amortisation of Intangible Assets.

Computer Software is written off over a period of five years.

d. Investments.

Long Term unquoted investments are stated at cost less provision for permanent diminution in their values, if any.

e. Revenue Recognition.

Income from services is recognised at the point of completion of agreed services.

f. Employee Stock Option Plan

The company has formulated an ESOP plan for its employees and made a grant of 1,79,100 options under the JRG ESOP Scheme 2005 on 03/09/2005. As per the prevalent norms, the company should take a charge in its books of accounts a part of the expenditure towards employees' compensation for the period ending on September 30, 2005. As per the fair value method, the charge is working out to Rs. 47,984. As this is not material, the accounting effect of the same has not been taken into account for the period ended 30/09/2005. The proportionate charge will be considered for the financial year 2005-2006.

g. Retirement Benefits.

The Company is member of LIC's group gratuity scheme. Annual contributions to the same are charged off to revenue.

h. Borrowing Costs.

Borrowing Costs are expensed in the absence of qualifying assets

i. Segment Reporting

As the Company's business Activity falls within a single segment, the disclosure requirements of Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.

j. Earning Per Share.

Earning per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the period.

k. Taxes on Income.

Taxes on Income are accounted under the Tax Effect Method in accordance with Accounting Standard - 22 issued by the Institute of Chartered Accountants of India.

l. Contingencies.

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts.

ANNEXURE IV
Notes on Accounts:

1. Contingent Liabilities not provided for:

(Rs .in lacs)

Particulars	Period ended					
	Year ended 31/03/2001	Year ended 31/03/2002	Year ended 31/03/2003	Year ended 31/03/2004	Year ended 31/03/2005	Nine months ended 31/12/2005
i Guarantees given by banks	165.00	165.00	125.00	275.00	725.00	975.00

2. Directors remuneration:

(Rs. In lacs)

Particulars	Period ended					
	Year ended 31/03/2001	Year ended 31/03/2002	Year ended 31/03/2003	Year ended 31/03/2004	Year ended 31/03/2005	Nine months ended 31/12/2005
i. Salary	4.50	5.94	6.98	6.41	6.20	5.10

3. Auditors Remuneration

(Rs. In lacs)

Particulars	Period ended					
	Year ended 31/03/2001	Year ended 31/03/2002	Year ended 31/03/2003	Year ended 31/03/2004	Year ended 31/03/2005	Nine months ended 31/12/2005
i. Audit fees	0.66	0.66	1.06	1.22	1.20	0.42

4. The Deferred Tax liability comprises of tax effect of timing differences on account of:

(Rs. in lacs)

Particulars	Year ended 31/03/2002	Year ended 31/03/2003	Year ended 31/03/2004	Year ended 31/03/2005	Nine months ended 31/12/2005
i. Deferred tax liabilities: On account of timing difference in depreciation	-	30.67	39.63	41.29	20.03
ii Deferred tax assets					
On account of unabsorbed Depreciation & brought forward losses	-	29.06	33.62	-	-
Net deferred Tax liability debited to profit and loss account	-	1.61	6.01	41.29	20.03

5. The balances on all personal accounts are subject to confirmation by the parties and reconciliation.

6. There are no amounts outstanding in respect of unpaid dividend / fixed deposits for more than seven years to be transferred to Investors Education and Protection Fund.

ANNEXURE – V
CASH FLOW STATEMENT
(Rs. in lacs)

	Period ended 31/03/2001	Period ended 31/03/2002	Period ended 31/03/2003	Period ended 31/03/2004	Period ended 31/03/2005	Nine months ended 31/12/2005
A Cash Flow from Operating Activities						
Net Profit After Tax and Minority Share	66.67	9.26	(40.16)	9.39	232.82	107.38
Add back :						
Depreciation	10.70	20.81	25.57	28.93	22.72	21.81
Intangible Assets w/off	-	-	-	-	23.24	19.26
Provision for Current Tax	12.50	0.75	-	1.25	-	43.92
Provision for Deferred Tax	-	-	(22.17)	4.39	-	20.02
Interest Income Received	-	-	-	(3.23)	(.9.81)	(17.40)
Dividend from Subsidiary	-	-	-	(4.71)	(8.67)	-
Preliminary Expenses	.02	.02	.02	.02	-	-
Operating Profit before Working Capital changes	89.88	30.84	(36.74)	36.04	260.30	194.98
Adjustment for						
Inventories	-	-	-	9.95	-	-
Trade and Other Receivable	(172.47)	(42.97)	14.98	(280.33)	(445.16)	(672.48)
Trade Payable and other Liabilities	165.75	77.84	(52.57)	448.71	608.66	397.61
Income Tax Paid	(10.29)	(13.21)	(0.75)	(0.25)	(0.89)	(43.61)
Dividend Tax Paid	(1.21)	(0.89)	-	-	(1.41)	(2.88)
Net Cash from Operating Activities	51.69	(75.08)	214.12	421.50	(126.38)	
B Cash flow from investing Activities						
Purchase of Fixed Assets	(157.74)	(22.85)	(24.09)	(40.75)	(104.13)	(161.31)
Interest/Dividend Received	-	-	-	7.94	18.48	17.40
Purchase of Investments	0.27	(0.59)	(1.25)	(49.17)	(0.20)	(3.18)
Net cash from Investing Activities	(23.44)	(25.34)	(81.98)	(85.85)	(147.08)	
C Cash Flow from Financing Activities						
Issue of share capital	31.00	-	63.00	-	-	555.00
Dividend paid	(12.10)	(7.87)	(3.15)	-	(11.03)	(22.05)
Borrowings/ Repayment of loan	73.44	(4.25)	7.20	6.00	(16.70)	(82.46)
Net Cash (Used In) /From Financing Activities	92.34	(12.12)	67.05	6.00	(27.73)	450.49
Net Increase /(Decrease)In Cash and Cash Equivalents	6.54	16.05	(33.37)	138.14	307.92	177.03
Cash (Opening Balances)	48.41	54.95	71.00	37.63	175.77	483.69
Cash (Closing Balances)	54.95	71.00	37.63	175.77	483.69	660.72

ANNEXURE – VI
STATEMENT OF DIVIDEND PAID FOR LAST 5 YEARS
(Rs. in lacs)

	Period ended 31/03/2001	Period ended 31/03/2002	Period ended 31/03/2003	Period ended 31/03/2004	Period ended 31/03/2005	Nine months ended 31/12/2005
No. of Equity Shares of Rs. 10/- each	15.75	15.75	22.05	22.05	22.05	-
Rate %	5%	2%	-	5%	10%	-
Amount of Dividend (Rs. in lacs)	7.88	3.15	-	11.03	22.05	-
Dividend Tax (Rs. in lacs)	1.78	-	-	1.41	2.88	-
Total Pay out (Rs. in lacs)	9.66	3.15	-	12.44	24.93	-

ANNEXURE – VII
STATEMENT OF ACCOUNTING RATIOS

	Period ended 31/03/2001	Period ended 31/03/2002	Period ended 31/03/2003	Period ended 31/03/2004	Period ended 31/03/2005	Nine months ended 31/12/2005
EPS Basic (Rs. Per Share)	4.23	0.64	-1.82	0.43	6.71	2.52
Return on Networth (RONW)(%)	26.80	3.97	-15.76	3.73	40.78	13.97
Net Asset value per Share (NAV) (Rs.)	15.79	16.24	11.55	11.42	16.44	11.18

The denominator for calculating the EPS for the nine months ended 31/12/2005 is the weighted average number of equity shares outstanding during the period i.e. 56,85,000 shares and that for NAV is 91,65,000 shares being the number of shares as on 31/12/2005.

ANNEXURE – VIII
CAPITALISATION STATEMENT
(Rs. in lacs)

Particulars	As on 31/03/2005	As on 31/12/2005	Post Issue
Secured Loans	82.46	Nil	50.00
Unsecured Loans	Nil	Nil	Nil
Total Debt	82.46	Nil	50.00
Less : Short term debt	47.02	Nil	50.00
Total Long Term Debt	35.44	0.00	0.00
Shareholders funds			
Share Capital	220.50	916.50	1279.00
Reserve & Surplus	142.21	108.59	1157.04
Total shareholders fund	362.71	1025.09	2436.04
Long term Debt/Equity Ratio	0.09 : 1	—	—

ANNEXURE – IX
TAX SHELTER STATEMENT
(Rs. in lacs)

Particulars	Year ended 31/03/2001	Year ended 31/03/2002	Year ended 31/03/2003	Year ended 31/03/2004	Year ended 31/03/2005
Tax Rate (including Surcharge & Cess)	39.55%	35.70%	36.75%	35.88%	36.59%
Profit as per Profit & Loss Account (as per statements)	79.17	10.90	(62.34)	15.03	232.82
Tax at above tax rate	31.31	3.89	-	5.39	85.19
Adjustment;					
Permanent Differences					
- Exempted income (dividend)	-	-	-	4.71	8.67
- Profit / (Loss) on sale of Fixed Assets.	-	-	-	(2.17)	(23.24)
- Others	-	(1.96)	-	-	-
Total (A)	-	(1.96)	-	2.54	(14.57)
Timing Differences					
- Differences between tax and book depreciation	46.26	24.57	6.17	24.97	46.32
- Accrued expenses deductible on payment basis (Net)	-	-	(2.01)	-	-
- Others	-	-	-	-	-
Total (B)	46.26	24.57	4.16	24.97	46.32
Other adjustments					
- Deduction under section 80 of the Income Tax Act, 1961.	-	-	-	-	-
- Set off of unabsorbed depreciation	-	-	-	-	91.55
Total(C)	-	-	-	-	91.55
Total adjustment(A+B+C)	46.26	22.61	4.16	27.51	123.30
Tax saving there on	18.30	8.07	-	9.87	45.11
Carried forward of unabsorbed depreciation and business loss	-	-	79.08	-	-
Tax on adjusted profit and loss account (E)	13.01	-	-	-	40.08
Tax as per minimum alternative tax (F)	5.94	0.77	-	0.89	16.81
Tax payable [higher of (E)and(F)]	13.01	0.77	-	0.89	40.08

ANNEXURE – X
DETAILS OF OTHER INCOME
(Rs. In lacs)

Particulars	Year ended 31/03/2001	Year ended 31/03/2002	Year ended 31/03/2003	Year ended 31/03/2004	Year ended 31/03/2005	Nine months ended 31/12/2005
Dividend from Subsidiary	0.00	0.00	-	4.71	8.67	-
Interest Income	-	-	3.51	3.23	9.81	17.40
Other income	12.43	20.11	-	-	-	-
Total	12.43	20.11	3.51	7.94	18.48	17.40

ANNEXURE – XI
SUNDRY DEBTORS (UNSECURED)
(Rs. in lacs)

Particulars	Year ended 31/03/2001	Year ended 31/03/2002	Year ended 31/03/2003	Year ended 31/03/2004	Year ended 31/03/2005	Nine months ended 31/12/2005
Over six months	17.31	54.02	55.39	68.72	54.62	69.56
Other Debts	73.95	110.19	106.84	333.15	616.09	1086.13
Total	91.26	164.21	162.22	401.87	670.01	1155.69

Break - up of Top Ten Sundry Debtors as on 31/12/2005	(Rs.)
Sunil Anandpara	8,182,110.77
Renu Tolasaria	5,424,108.93
Cyriac J Kandathil	4,178,665.49
Rajesh V Prabhu	2,373,026.76
John C.J	2,350,437.60
Bacnoton Inv.(P) Ltd	1,866,451.48
Cybertec Fin Services	1,482,182.23
Satanderkumar Singh Bhalla	946,733.26
Sasikala Ramabhadran	924,101.00
P C Joseph	897,235.88
TOTAL	28,625,053.40

ANNEXURE – XII
LOANS & ADVANCES (UNSECURED)
(Rs. in lacs)

Particulars	Year ended 31/03/2001	Year ended 31/03/2002	Year ended 31/03/2003	Year ended 31/03/2004	Year ended 31/03/2005	Nine months ended 31/12/2005
Loans and Advances (Unsecured considered Good)	51.06	74.26	67.60	56.97	105.92	108.78

Break-up of Loans and Advances as on 31/12/2005	(Rs.)
Roby Kulamackal – Pala	210,000.00
Data Mate Solutions	575,080.00
United Investments -Margin	247,000.00
Babu K Lonappan	949,900.00
NSE VSAT AMC Advance	430,321.00
Giltedjed Securities (Bse) -Margin	400,000.00
Seetha Securities (P) Ltd. -Margin	100,000.00
Stockhome Sec. (P) Ltd, -Margin	365,000.00
Advance Account Cap. Exp.	1,251,418.48
Income Tax Advance	2,750,000.00
Staff Advances	11,17,250.00
Thressiamma Joseph	2,050,000.00
Other Advances	4,31,982.00
Total	108,77,951.48

Note : There are no dues from directors or key management personnel

ANNEXURE – XIII
STATEMENT OF SECURED LOANS
(Rs. in lacs)

Particulars	Year ended 31/03/2001	Year ended 31/03/2002	Year ended 31/03/2003	Year ended 31/03/2004	Year ended 31/03/2005	Nine months ended 31/12/2005
Term Loans from banks for the acquisition of fixed assets	16.35	9.35	2.07	49.09	35.45	—
Working Capital Loans						
-From Banks	73.85	76.60	91.08	50.07	47.01	0.00
	90.20	85.95	93.15	99.16	82.46	0.00

RELATED PARTY DISCLOSURES

List of related parties with whom transactions have taken place

Key Management Personnel (Directors):

Mr. Regi Jacob, Mr. Mathew Jacob

(Rs. in lacs)

For the period/year ended on						
Key Management Personnel	Year ended 31/03/2001	Year ended 31/03/2002	Year ended 31/03/2003	Year ended 31/03/2004	Year ended 31/03/2005	Nine months ended 31/12/2005
Remuneration	4.50	5.94	6.98	6.41	6.20	5.10

ANNEXURE – XV
INVESTMENTS

(Rs. in lacs)

For the period/year ended on						
Particulars	Year ended 31/03/2001	Year ended 31/03/2002	Year ended 31/03/2003	Year ended 31/03/2004	Year ended 31/03/2005	Nine months ended 31/12/2005
Investments (unquoted)	12.05	12.64	12.16	61.33	61.53	64.71

Note : No provision is made for the diminution if any in the values of the above unquoted long term investments.

ANNEXURE – XV
WORKING CAPITAL FACILITIES

The company has fund based limits (overdraft) of Rs. 50.00 lacs from The Federal Bank Limited as on 31/12/05 sanctioned vide letter 5867 dated 01/11/03

This facility is primarily secured by hypothecation of receivables out of broking, supported by collateral of landed property of directors and their relatives and is further guaranteed by the following directors:

Mr. Regi Jacob, Mr. Jiji Antony and Mr. Giby Mathew

The company is enjoying the following non fund based facilities

Name of the Bank	Limit Sanctioned (Rs.)	Margin	Date of Sanction Letter
The Federal Bank Limited	375.00 lacs	50%	01/11/2003
Canara Bank	* 500.00 lacs	50%	10/02/2005 & 19/08/2005
The South Indian Bank Limited	100.00 lacs	60%	24/01/2005
HDFC Bank	150.00 lacs	50%	05/05/2004

* Total Limit is Rs. 500 lacs vide two sanctions of Rs. 200 lacs and Rs. 300 lacs respectively. Amount availed of is only Rs. 350 lacs.

These facilities are primarily secured by pledge of fixed deposit receipts for fixed deposits maintained with each of the above banks as per their respective margins, and are further guaranteed by the following directors:

Mr. Regi Jacob, Mr. Jiji Antony and Mr. Giby Mathew

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS

Overview

The Management of JRG is committed to high levels of transparency and disclosure. In continuation of these ideals, values and beliefs, we disclose hereunder, information about the company, its business, operations, outlook, risks and financial performance.

Corporate Profile

JRG Securities Ltd. was born out of a vision to explore the vast opportunities in the Indian Capital Market.

Founded in 1992 as a partnership firm, JRG graduated into a private limited company in 1994 and became a corporate member at the Cochin Stock Exchange Ltd. In 1999 JRG recasted with the inclusion of four prominent members of Cochin Stock Exchange Ltd and acquired NSE (National Stock Exchange) Membership and became a member of the Bombay Stock Exchange Ltd. in 2005.

Catering to the institutional investors and individual investors, JRG Securities Ltd. monitors and ensures the safety of investments with the aid of state-of-the-art information technology. The operations are streamlined with an equity research wing, CTCL facility and an NRI services wing.

Industry structure and Developments

The Indian financial sector – banking, capital markets, insurance, mutual funds, etc. – has undergone a sea change since a decade of reform started in the nineties. These improvements have helped it in shedding its archaic image and portray an image of globally competitive sector. India is the second-fastest growing economy in the world. Economic and earnings growth rate is higher in India than in most other emerging markets. If valuations of Indian shares have gone up a few notches, that run-up is pretty much justified.

Although many financial institutions and markets in India are moving towards world standards with increasingly sophisticated processes (including risk management tools and extensive use of Information Technology (IT)), they have also concomitantly been exposed to a very different risk profile.

Improvements in information technology have led to sharp reductions in the cost of storing and processing information. This opens up new opportunities for us to move towards high standards for the release of accounting information, and for serving our valued clients/investors.

Reforms have made the most progress on the securities markets, where the private sector now has a dominant position in securities intermediation, and a 60 per cent market share of mutual funds. It is not an accident that India's best success with markets forming prices is found on the equity market.

Technological innovation is the buzzword.

Planning for the Future

The Indian Financial Sector is expected to continue on its steady growth trajectory. The country is on a high growth path. There is an increased awareness among the general public about the capital market and the initial apprehension in their minds is fast mitigating.

We are living in a world, which is constantly changing. In this emerging scenario, we at JRG are constantly reinventing ourselves to stand up to the demands of our customers and threats of our competitors. We are confident that our cherished customer relationship, motivated manpower and business acumen will stand us in good stead and help us to live up to our vision of an organization of international standards.

Our endeavor is to focus on niche segments while continuing to show differentiation from the pack in its approach to traditional clients/investors. The potential for growth is enormous and, as economy picks up, we are well equipped to reap its benefits.

Opportunities, Threats, Risks and Concerns

The company is well positioned to take advantage of the various opportunities presented to it by the booming economic situation in the country. The company has continuously been expanding on its service and capabilities base to be a one-stop financial service provider. Our flagship products enjoy distinct acceptance and recognition in the market. Needless to say, the company's range of services provide a compelling value proposition for both old customers to stay and grow with the company while attracting new customers.



Risk is an inherent factor, rather an indispensable part in our industry. We have taken up challenging goals with aspiration for rapid growth. The fluctuations in the stock exchanges also affect the profitability to a large extent.

Attrition of skilled resources remain a major concern for the company. This results in higher resource costs, as well as decreased customer satisfaction. Competition from our peer players could also adversely impact the profitability. All these threats point to an increasing need for JRG to proactively address the issues and find solutions that give us a competitive advantage. Few of the broader steps initiated by the JRG to overcome the risks are:

- The risk of attrition in human resources has been mitigated through performance based remuneration, which is at par with the industry's standards.
- Constant improvements of its existing facilities based on feedback from customers and by incorporating requirements of prospective customers.

Operating and Financial Performance

The strengthening of the management team and the improved operations through setting up of well established systems and procedures during the year have yielded significant results which has helped the company to achieve a faster growth.

The operating profit for the company was Rs.193.13 lacs during the nine months ended 31/12/2005 as compared to Rs. 255.54 lacs earned in F. Y. 2004-2005. The company has earned an after tax profit of Rs. 107.38 lacs during the year nine months ended 31/12/2005 as compared to a profit after tax of Rs. 147.94 lacs during the previous financial year.

Number of trading centres increased from 15 to 310 in the last three years.

Segment Wise Performance

Capital Market Division

JRG securities Ltd. has been in the field of stock broking for more than a decade. Today, JRG with its network of 310 trading centres through out the country cater to the requirements of more than 21,350 clients. We have a fully centralized accounting system and well-developed back-office system. The private VSAT network of JRG aims to help even the investors placed in remote areas, to access the Capital Market. We also provide the latest technologies such as Electronic Contract Note and Net Trading to our clients.

Depository Division

JRG Securities Ltd. has a full fledged Depository division, which is a leading Depository Participant of National Securities Depository Limited (NSDL). The day-to-day operations of the DP division are carried out by qualified and well-experienced professionals, and under their guidance, the DP Division has been continuously clearing the NSDL's inspections with ease and without any penalties. The DP division was able to garner about **12000 new clients** during the Financial Year.

Internal Control and Audit

The company has a proper and efficient internal control system for achieving the following business objectives of the company.

- Efficiency of operations
- Protection of resources
- Accuracy and promptness of financial reporting
- Compliance with laid down policies and procedures
- Compliance with laws and regulations.

The company undertakes regular internal Audit and inspection of the operations through its various branches / offices. The company has built up a system of internal controls, audit trails and individual rating of branches based on different parameters such as business performance, operations, earnings and compliance. The Internal Audit System is supplemented by well-documented policies, guidelines and procedures and regular reviews are being carried out by our Internal Audit department.

Human Resource Development / Industrial Relations

We recognize the importance and contribution of our human resources for our growth and development and are committed to the development of its people. A well-motivated workforce that performs up to its potential can make all the difference between a successful organization and the one that aspires to be. Well aware of this, JRG creates conducive work environments where recognition and reward are ensured for the deserving at right times. By leveraging the human forces efficiently and effectively, JRG enjoys greater competitive advantage.

The Employee Strength of JRG Securities Ltd. as on 31/10/2005 stands at 380.

The HR Department is planning for an HR intranet for JRGians to know more about the happenings on HR front as well as a platform for empowerment. There is a plan to set up a training department to cater to the needs as well as to equip the JRGians to meet the challenges & to create an environment for learning & development.

The appraisals are conducted twice in a year. Plans are afoot for implementing potential appraisal as well as an online appraisal system. The Industrial Relations were cordial and satisfactory.

Significant developments subsequent to the last financial year

In the opinion of the directors there are no material developments after the date of last audited balance sheet as disclosed in the prospectus which materially and 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 its liabilities within the next twelve months.

Factors affecting business operations

In industry segment in which we operate is highly unpredictable and is influenced by several external factors including:

- economic cycles of the country
- political unrest and instability
- lack of real-time telecom connectivity between our regional trading centres and regional offices

Cautionary statement

Statements in the Management Discussion and Analysis describing the company's projections, estimates, or expectations may be forward looking predictions within the meaning of applicable securities laws and regulations. Actual results may differ from such estimates, projections etc. whether expressed or implied. Factors, which would make a significant difference to the company's operations, include changes in economic conditions of the country, changes in government regulations and tax laws, and other environmental factors over which the company does not have any control.

Comparison of significant items of income and expenditure of JRG SECURITIES LTD. for the past three years is as follows:

(Rs. in lacs)

Particulars	31/03/2003	31/03/2004	31/03/2005
Income			
Operational Income	381.11	633.34	986.16
Interest & Other Income	20.83	7.93	18.48
Total	401.94	641.27	1,004.64
Expenditure			
Purchases	207.57	-	-
Trading	38.25	369.00	444.90
Employee Remuneration & Benefits	41.48	60.24	115.19
Administrative Expenses	90.98	142.78	139.46
Interest	23.05	25.26	26.31
Depreciation	25.57	28.96	22.72
Bad Debts Written Off	4.43	-	-
Preliminary Expenses written off	0.02	-	-
Amortisation	-	-	23.24
Total	431.35	626.24	771.82
Net profit/(Loss) before tax	(29.41)	15.03	232.82
Taxation	-	5.64	84.89
Net Profit/(Loss) after tax	(7.24)	9.39	147.93

Current Assets, Loans and Advances :			
Stock-in-trade	9.95	-	-
Sundry Debtors	162.23	401.87	670.72
Cash and Bank Balances	37.63	175.77	483.70
Interest Accrued on Deposits	3.10	-	-
Other Current Assets	24.35	3.34	48.65
Loans and Advances:	65.88	56.97	105.92
Deposits	167.08	240.79	322.84
	470.22	878.74	1631.83
Investments	12.16	61.33	61.53
Liabilities & Provisions :			
Secured Loans	93.15	99.16	82.46
Unsecured Loans	-	-	-
Deferred Tax Liability	1.61	6.00	41.29
Current Liabilities	303.98	766.13	1429.89

COMPARISON OF FY 2003 WITH FY 2002

We had not launched our DP services during FY 2002. The same was introduced as part of our services in FY 2003 leading to a moderate addition to our income. We had undertaken an expansion in the number of our trading centres in South India during FY 2003 which enabled us to improve our income. We purchased several new software for trading during FY 2003. This coupled with an expansion in the number of our trading centres, lead to a significant increase in our expenditure over FY 2002, thereby causing our Company to report a net loss for FY 2003.

COMPARISON OF FY 2004 WITH FY 2003 – REASON FOR VARIANCE

- **Operational Income**

The stock markets witnessed a moderate upturn in the financial year 2003-2004. Trading volumes increased contributing to an upward movement in the indices. This lead to increasing interest in trading on the exchanges. We were in a position to substantially increase our client base from 9,000 to 16,600 in that financial year, while we registered a year-on-year increase in trading volume from Rs. 5,500 crores in FY 2003 to Rs. 8,160 crores in FY 2004 which has contributed to increased income from brokerage.

- **Purchases**

Till the close of the financial year ending March 31, 2003, we used to conduct proprietary trades on our own account. All stock purchases conducted on account of proprietary trades were recorded as purchases in our books of accounts and similarly all stock sales were recorded as sales. We took a management decision to cease proprietary trades in our company and focus solely on the client brokerage business. Thus "Purchases" does not occur as an item of expenditure in our financial statement from the financial year 2003-2004 onwards.

- **Personnel Expenses**

On account of the growth in our client base between FY 2003 and FY 2004, we began to bolster our employee strength as we expanded our operations in India. Our employee headcount increased from 180 in FY 2003 to 215 in FY 2004.

- **Administrative and Other Expenses**

With the growth in our business, our management team began to actively promote our services across our target markets in South India. Administrative expenses, includes advertisement, promotion and travel expenses. The increase between FY 2003 and FY 2004 reflects the aggressive nature of our management in the promotion of our services.

COMPARISON OF FY 2005 WITH FY 2004 – REASON FOR VARIANCE

- **Operational Income**

After the market crash on May 17, 2004, the stock markets had registered a steady upward trend. Trading volumes increased considerably and attracted the attention of new investors and traders. We took initiatives to expand our operational reach to penetrate the South Indian states, and with the help of an aggressive promotion campaign conducted over the course of FY 2004, we were able to increase our client base from 16,600 in FY 2004 to 21,350 in FY 2005. The additions to our client base coupled with the increased trading turnover (total of buy orders and sell orders) from Rs. 8160 crores in FY 2004 to Rs. 11,989 crores in FY 2005, contributed to the increase in our operational income, on account of increase in brokerage income.

- **Personnel Expenses**

In order to cope with the increase in our brokerage business, we had to install additional terminals and implement a large manpower addition in our company. Our employee headcount increased from 215 in FY 2004 to 348 in FY 2005. This has resulted in a corresponding increase in the employee costs.

- **Net Profit after Tax**

We had implemented an aggressive promotional campaign for our services in FY 2004. This resulted in substantial additions to our client base in both FY 2004 and FY 2005. We reduced expenditure on our promotional campaigns in FY 2005. In addition, on account of the growth in the number of our regional offices to 13, our management team was able to decentralize the day-to-day administration of our trading centres and hence did not need to

travel as frequently as earlier, leading to a substantial reduction in travel costs. We were also able to effectively leverage our manpower to cope with the increased business such that, although income from operations increased by 55% from FY 2004 to FY 2005, employee costs increased by less than 21%, resulting in better operational profit margins.

- **Sundry Creditors and Loans and Advances**

Our broking activities operate on a T+2 settlement cycle. Trading orders placed in a day are settled after two days. Thus the position of debtors mentioned in our financial statements reflects the total value of receivables on account of "BUY" order placed on the last two days of the accounting period. These positions change on a day to day basis and are not generally carried on our books for more than two days. The high instance reflected on 31/03/2005 is indicative of the increased trading activity on account of the buoyant capital markets. Loans and Advances include Staff Advances and Rent Advances. This is directly proportional to the number of trading centres that we operate in a given year and the number of employees on our payroll. We have significantly expanded our operations in 2004-2005 within India. This has led to the increase in the figures for Loans and Advances.

INFORMATION REQUIRED AS PER CLAUSE 6.10.5.5 (a) OF SEBI DIP GUIDELINES

- **Unusual or infrequent events or transactions**

There have been no unusual or infrequent events or transactions.

- **Significant economic changes**

Changes in market sentiments and economic cycles could adversely impact the profitability of the Company.

- **Known trends or uncertainties that have had or are expected to have a material adverse impact on income from operations**

There are no known trends or uncertainties that have had or are expected to have a material adverse impact on income from operations

- **Extent to which material increases in revenues are due to increased volumes.**

Increases in revenue are by and large linked to increase in number of clients of the company and increase in trading by clients through the company.

- **Total revenue of the industry segment in the which the Company operates.**

The Company is engaged in broking on the equity and commodities markets. There are numerous competitors in the industry and comprise of small, unorganized local operators to large corporate houses. The performance of the industry is dependent on several economic and political factors and as such is unpredictable. Therefore, the total revenue of the industry is not discernable by us.

- **Seasonality of business**

The business is influenced by trends in the capital market which are not predictable.

- **Dependence on single or few suppliers/customers**

We provide broking services to 21,350 clients. Hence we are neither dependent on any single supplier nor on any single customer.

- **Competitive Conditions**

The Company faces stiff competition from numerous players operating in this segment. They include large, established brokerage houses with better terminal density across India as compared to JRG Securities Ltd. as well as small localized operators. Brokerage services between the various players is distinguished through the provision of value-added services such as personalized investment advisory services, alternative investment options such as insurance and mutual funds, etc.

SECTION V: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS, DEFAULTS, MATERIAL DEVELOPMENTS AND ADVERSE EVENTS

The Company certifies that except as stated herein, there are no:

- Other pending litigations against the company.
- Outstanding litigations, defaults etc pertaining to matter likely to affect operations and finances of the company including prosecution under any enactment in respect of Schedule XIII of the Companies Act 1956 (1 of 1956).
- Such cases of pending litigations, defaults etc in respect of Companies/firms/ventures with which the promoters were associated in the past but are no longer associated, and their names continue to be associated with particular litigation.
- Disciplinary action/ investigation has been taken by Securities and Exchange Board of India(SEBI)/ Stock Exchanges against the Company, its directors , promoters and their other business ventures (irrespective of the fact whether or not they fall under the purview of section 370(1B) of the Companies Act 1956.
- Cases against the Company or its Promoters of economic offences in which penalties were imposed on promoters.
- Pending litigations, defaults, non payment of Statutory dues, proceedings initiated for economic offences/civil offences, any disciplinary action taken by the Board /Stock Exchanges against the Company/Promoters and their business ventures/Directors other than those mentioned in this Offer Document and that no litigations have arisen after the issue of SEBI's Observation letter and the Company and its Directors take full responsibility of the information mentioned in the Offer Document.

CERTIFICATE OF OUTSTANDING LITIGATION AND DEFAULTS OF JRG SECURITIES LTD.

On the basis of the verification of the relevant documents and registers maintained by the company namely JRG Securities Ltd and the information and the explanation furnished to me by the officials of the said company I confirm that there are no outstanding litigation raising any claim against the said company and the said company has not defaulted with any of the SEBI/Stock Exchange Regulations as on date. The said company had filed certain cases against some parties and the details of such cases that are pending are as stated hereunder.

1) Cybertec Financial Services and four others

In the above case the Arbitrator had passed an award in favour of JRG Securities allowing the company to realize Rs. 16,56,781/- from the opposite parties and the said parties had filed Arbitration O.P 244/03 before the VIth Additional District Court At Ernakulam, against the said award and the said Original Petition is pending before that court.

2) Cheque dishonour cases filed by JRG Securities Ltd., pending against different parties

Sr. No.	Name of the Party	Amount Involved (Rs.)
1	Mohamed Mushtaque	36,000
2	Muralidharan P A	50,000
3	Muralidharan P A	1,50,000
4	P S Venkatachalapathy	50,000
5	Suku Tholath	70,828.52
6	Jose Abraham	30,000

Sd/-

Joseph Sebastian Purayidam

Dated this the 28th day of October 2005



CERTIFICATE OF OUTSTANDING LITIGATION AND DEFAULTS OF JRG WEALTH MANAGEMENT LTD.

On the basis of the verification of the relevant documents and registers maintained by the company namely JRG Wealth Management Ltd and the information and the explanation furnished to me by the officials of the said company I confirm that there are no outstanding litigation raising any claim against the said company and the said company has not defaulted with any of the Regulations framed by the concerned regulatory authorities as on date. The said company had filed one cheque dishonour case against one Sri. Alex Mathew for Rs. 65,000/- and the same is pending consideration before the court.

Sd/-

Joseph Sebastian Purayidam

Dated this the 28th day of October 2005

CERTIFICATE OF OUTSTANDING LITIGATION AND DEFAULTS OF JRG INSURANCE BROKING (P) LTD

On the basis of the verification of the relevant documents and registers maintained by the company namely JRG Insurance Broking (P) Ltd and the information and the explanation furnished to me by the officials of the said company I confirm that there are no outstanding litigation raising any claim against or by the said company and the said company has not defaulted with any of the Regulations framed by the concerned regulatory authorities as on date.

Sd/-

Joseph Sebastian Purayidam

Dated this the 28th day of October 2005

MATERIAL DEVELOPMENTS

We have, in collaboration with FTIL and Nokia, launched a mobile trading platform for the commodities markets. Clients who sign up for this service can avail of real time trading in commodities using specified models of Nokia mobile phones. This service is the first of its kind in the country and has enabled us to take the pioneering position in value added broking services. This will enable us to add more clients as well as offer a stronger proposition to our existing ones.

In the opinion of the directors there are no material developments after the date of last audited balance sheet as disclosed in the prospectus which materially and 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 its liabilities within the next twelve months.

ADVERSE EVENTS

There are no adverse events affecting the operations of the Company occurring within one year prior to the date of filing of the Prospectus with the Registrar of Companies.

GOVERNMENT APPROVALS

The Company has received all the necessary consents, licenses, permissions and approvals from the government and various government agencies required for their present business. The important licenses and approvals procured by the Company are as follows: -

Approvals for our Business

A] JRG Securities Limited

1. Certificate of Registration No. **INB230708837** dated 24.08.1999 under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 issued by SEBI to register JRG Securities Ltd. as a stock broker at National Stock Exchange for carrying on the activities of buying, selling or dealing in securities and carrying on such other permitted activities subject to relevant rules and regulations. The registration number allotted to JRG Securities Ltd. is **INB230708837**. The certificate is valid till it is suspended or cancelled in accordance with the regulations.
2. Certificate of Registration No. **INF230708837** dated 26.07.2000 (for registration as Trading Member) and November 29, 2002 (for registration as Clearing Member) under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 issued by SEBI to register JRG Securities Ltd. as trading and clearing member at National Stock Exchange for carrying on the activities of dealing in derivatives/ clearing and settlement of derivatives trades and for carrying on such other permitted activities subject to the relevant rules and regulations. The registration number allotted to JRG Securities Ltd. is **INF230708837**. The certificate is valid till it is suspended or cancelled in accordance with the regulations.
3. Certificate of Registration No. IN-DP-NSDL-157-2000 dated 17.08.2000 issued by SEBI in exercise of its powers under SEBI Act, 1992 read with the Depositories Act, 1996 and SEBI (Depositories and Participants) Regulations, 1996 to register JRG Securities Ltd. as a participant subject to the conditions mentioned under the aforesaid Acts and regulations. The registration number allotted to JRG Securities Ltd. is IN-DP-NSDL-157-2000. Unless renewed, the certificate is valid from 18.08.2005 to 17.08.2010
4. Certificate number **2307088** issued by the NSE to JRG Securities Ltd. certifying that JRG Securities Ltd. is a trading member on the capital market and Futures & Options segments of the NSE. The SEBI registration number for NSE membership on the Capital Market segment is **INB230708837** and for Futures & Options segment is **INF230708837**.
5. Approval vide letter ref.no. NSEIL/CM/INET/6379-8 dated 27.09.2004 issued by NSE to JRG Securities Ltd. granting provisional permission to commence Internet Trading with effect from 27.09.2004.
6. Certificate of Registration No. INB010708833 dated 31.03.2005 under the SEBI (Stock Brokers and Sub-Brokers) Regulations 1992 issued by SEBI to register JRG Securities Ltd. with BSE Ltd. as a stock broker for carrying on the activities of buying, selling or dealing in securities and carrying on such other permitted activities subject to relevant rules and regulations granted by SEBI vide letter no Br.Reg/37393/2005 dated 31.03.2005. The registration number allotted to JRG Securities Ltd. is INB010708833.
7. Letter No. KR/KC 19317/ENF I(4)/2000/2974 dated 22.11.2000 issued by the Office of the Regional Provident Fund Commissioner to JRG Securities Ltd. confirming that the provisions of the Employees Provident Fund & Miscellaneous Provisions Act, 1952 and the schemes provided there under namely EPF Scheme, Family Pension Scheme and Deposit Linked Insurance Scheme, are applicable to JRG Securities Ltd. including the head office, regional offices and departments wherever situated in India. The code number allotted to JRG Securities Ltd. is KR-19317.



B] JRG Wealth Management Ltd.

1. Membership ID No. 10190 issued by Multi Commodity Exchange of India Limited vide their Letter of Allotment dated 21.08.2003 to JRG Wealth Management Ltd.
2. Membership ID No. 00224 issued by National Commodity and Derivatives Exchange Limited vide their Letter of Allotment dated 25.08.2004 to JRG Wealth Management Ltd.
3. Membership ID No. CL0101 issued by National Multi Commodity Exchange vide their Letter of Allotment dated 27.09.2004 to JRG Wealth Management Ltd.
4. Membership ID No. REG NO 351 issued by Indian Pepper and Spice Trade Association vide their Letter of Allotment dated 26.07.2003 to JRG Wealth Management Ltd.

C] JRG Insurance Broking Pvt. Ltd.

1. License No. D.B.198/03 dated 31.10.2003 issued by the Insurance Regulatory and Development Authority ("IRDA") to JRG Insurance Broking Pvt. Ltd. authorizing JRG Insurance Broking Pvt. Ltd. to act as an insurance broker.

The Company has received all the necessary permissions and approvals from the Government and various non-government agencies for conducting business. No further approvals from any Government Authority are required by the Company to undertake the activities save and except those approvals, which may be required to be taken in the normal course of business from time to time. It must be understood that in granting the above approvals the authorities do not undertake any responsibility for the financial soundness of the undertaking or for the correctness of any of the statements made or opinions expressed in this regard.

SECTION VI:
REGULATORY AND STATUTORY DISCLOSURES
AUTHORITY FOR THE ISSUE

The shareholders of the company, vide a special resolution passed under section 81 and 81(1A) of the Companies Act, 1956 at the Extraordinary General Meeting held on 28/10/2005, have authorized the issue of equity shares. The Board of Directors of the company (hereinafter referred to as "The Board") pursuant to a resolution passed at the Meeting held on 28/10/2005 have decided to offer 36,25,000 equity shares of Rs. 10/- each at a premium of Rs. 30.00 per equity share aggregating to Rs. 1450 lacs.

PROHIBITION BY SEBI

The Company, its Promoters, Directors or any of the Company's associates or group companies with which the Directors of the Company are associated as Directors or Promoters have not been prohibited from accessing the capital market under any order or direction passed by SEBI.

ELIGIBILITY

In terms of clause 2.2.1 of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 and amendments thereof, JRG SECURITIES LTD. is eligible to make a Public Issue of equity shares as explained below:

- Net Tangible Assets of the company are more than Rs. 3 Crores for past three years (of 12 months each) and further not more than 50% of the same is held in monetary assets.
- Networth of the company has been more than Rs. 1 crore in each of the past three years.
- The Company has a track record of distributable profits as per section 205 of the Companies Act, 1956 for atleast three out of immediately preceding five years.
- The proposed Offer size does not exceed five times the pre-offer networth as per the audited accounts for the period ended on 31/12/2005.
- The prospective allottees will not be less than one thousand (1000) in number.

The distributable profits as per Section 205 of the Companies Act, 1956, networth, net tangible assets and monetary assets for the past three years are as follows:

(Rs. in Lacs)

Particulars	31st March 2001	31st March 2002	31st March 2003	31st March 2004	31st March 2005
Distributable Profits	73.39	73.00	(40.16)	9.39	147.93
Net Tangible Assets	338.88	341.65	349.56	304.50	440.82
Networth	248.74	255.74	254.79	251.75	362.71
Monetary Assets	172.00	174.67	156.30	112.62	201.94
Monetary Assets as a percentage of Net Tangible assets (%)	50.75	51.12	44.71	36.98	45.81

DISCLAIMER CLAUSE

AS REQUIRED A COPY OF THIS PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THIS PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE PROSPECTUS. LEAD MANAGER M/S. KEYNOTE CORPORATE SERVICES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI GUIDELINES FOR DISCLOSURES



AND INVESTOR PROTECTION IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY AND THE OFFEROR IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE PROSPECTUS, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, M/S. KEYNOTE CORPORATE SERVICES LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED 02/12/2005 IN ACCORDANCE WITH SEBI (MERCHANT BANKERS) REGULATION 1992 WHICH READS AS FOLLOWS:

- (i) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID PUBLIC ISSUE.
- (ii) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE PUBLIC ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY.

WE CONFIRM THAT:

- (a) THE PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE PUBLIC ISSUE;
- (b) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID PUBLIC ISSUE, AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT AND ANOTHER COMPETENT AUTHORITY 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 PUBLIC ISSUE.
- (d) BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH SEBI AND TILL DATE SUCH REGISTRATION IS VALID.

THE FILING OF THE PROSPECTUS DOES NOT, HOWEVER ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT, 1956, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED PUBLIC ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER FOR ANY IRREGULARITIES OR LAPSES IN THE PROSPECTUS.

THE PROMOTERS / DIRECTORS OF JRG SECURITIES LIMITED VIZ. MR. REGI JACOB, MR. JIJI ANTONY AND MR. GIBY MATHEW DECLARE AND CONFIRM THAT NO INFORMATION/MATERIAL LIKELY TO HAVE A BEARING ON THE DECISION OF INVESTORS IN RESPECT OF THE SHARES OFFERED IN TERMS OF THIS PROSPECTUS HAS BEEN SUPPRESSED WITHHELD AND / OR INCORPORATED IN THE MANNER THAT WOULD AMOUNT TO MIS-STATEMENT / MISREPRESENTATION AND IN THE EVENT OF ITS TRANSPIRING AT ANY POINT IN TIME TILL ALLOTMENT / REFUND, AS THE CASE MAY BE, THAT ANY INFORMATION / MATERIAL HAS BEEN SUPPRESSED / WITHHELD AND/ OR AMOUNTS TO A MIS-STATEMENT / MISREPRESENTATION, THE PROMOTERS / DIRECTORS UNDERTAKE TO REFUND THE ENTIRE APPLICATION MONIES TO ALL SUBSCRIBERS WITHIN 7 DAYS THEREAFTER WITHOUT PREJUDICE TO THE PROVISIONS OF SECTION 63 OF THE COMPANIES ACT.

DISCLAIMER IN RESPECT OF JURISDICTION

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are majors, Hindu Undivided Families, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, or any other Trust law and who are authorized under their constitution to hold and



invest in shares) and to NRIs and FIIs as defined under the Indian laws. This Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to securities issued hereby in any other jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself about and to observe any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in 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 Prospectus has been submitted to the SEBI. Accordingly, the equity shares represented thereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of JRG Securities Ltd. since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGE, MUMBAI (BSE) (DESIGNATED STOCK EXCHANGE)

Bombay Stock Exchange Ltd. ("the Exchange") has given vide its letter no. List/sm/jc/2006 dated 06/01/2006, permission to the Company to use the Exchange's name in its offer document as one of the stock exchanges on which this Company's securities are proposed to be listed. 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:

- a. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document or
- b. warrant that this company's securities will be listed or will continue to be listed on the Exchange; or
- c. 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 an independent inquiry, or any 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.

CAUTION

JRG Securities Ltd., its directors and the Lead Manager accept no responsibility for statements made otherwise than in this prospectus or in the advertisements or any other material issued by or at the instance of the Issuer and that anyone placing reliance on any other source of information, would be doing so at his or her own risk.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the Lead Manager and JRG Securities Ltd.

All information shall be made available by JRG Securities Ltd., the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centers or elsewhere.

FILING

A copy of this Prospectus has been filed with SEBI, D'Monte Building, T.T.K. Road, Alwarpet, Chennai – 600018, SEBI Mumbai, Registrar of Companies, Kerala, Kochi, Bombay Stock Exchange Ltd. (BSE), P.J Towers, Dalal Street, Mumbai, where the equity shares of the company are proposed to be listed.

LISTING

The Equity shares of the company are proposed to be listed on Bombay Stock Exchange Ltd. (BSE) (Designated Stock Exchange). The Company has received in-principle approval from BSE vide its letter no. List/sm/jc/2006.dated 06/01/2006 for listing of the equity share being issued in terms of this Prospectus.

If the permissions to deal in and for an official quotation of the equity shares is not granted by the stock exchange, the Company shall forthwith repay, without interest, all monies received from the applicants. In case of delay interest shall be paid in accordance with the provisions of Section 73 of the Act.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below: “Any person who:

- (a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or
- (b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”

CONSENTS

Consents in writing of the Directors, the Auditors, Bankers to the Company, Lead Managers to the Public Issue, Registrar to the Public Issue, Legal Advisor to the Public Issue and Bankers to the Public Issue to act in their respective capacities, have been obtained and filed along with a copy of the Prospectus with the Registrar of Companies, Kerala, Kochi, under Section 60 of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Prospectus for registration.

EXPERT OPINION

The company has obtained expert opinion on tax benefits available to the company and its shareholders from JVR & Associates, Chartered Accountants and Statutory Auditors of the Company.

EXPENSES OF THE ISSUE.

The total expenses of the issue are estimated to be around 9 % of the issue size. All expenses with respect to the issue would be met out of the proceeds of the issue. The split of issue expenses is as under: -

Expenses	Amounts in Rs. Lacs	Amount as a % of total issue expenses	Amount as a % of total issue size
Fees to the intermediaries (including Lead Manager & Registrar to the issue)	30.00	23.08	2.07
Advertising & Marketing expenses	50.00	38.46	3.45
Printing, Stationary, Dispatch	20.00	15.38	1.38
Miscellaneous	30.00	23.08	2.07
Total	130.00		8.97

Fees payable to Lead Manager

The total fees payable to the Lead Manager will be as per the Memorandum of Understanding signed amongst the Company and the Lead Manager, a copy of which is available for inspection at the Registered office of JRG Securities Ltd.

Fees payable To Registrar To The Public Issue

The total fees payable to the Registrar to the Public Issue will be as per the Memorandum of Understanding signed amongst the company and the Registrar to the Public Issue, a Copy of which is available for inspection at the registered office of JRG Securities Ltd.

Fees payable To Bankers To The Public Issue

The total fees payable to the Bankers to the Public Issue will be as per the understanding of the Company with the Bankers to the Issue.

UNDERWRITING COMMISSION

The present Public Issue is not being underwritten and hence no underwriting commission is payable.

BROKERAGE

Brokerage will be paid by the Company at the rate of 1.5% on the offer price of Equity Shares offered to the Public on the basis of allocation made against applications bearing the stamp of the members of any recognized Stock Exchanges in India in the brokers column. Brokerage at the same rate will also be payable to the Bankers to the Public Issue in respect of allotments made against applications procured by them provided the relevant forms of applications bear their respective stamps in the Broker's column.

PREVIOUS ISSUE DETAILS

The company has not made any issue of equity shares to the public prior to the present Public Issue.

Commission and brokerage on previous issues

No sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the equity shares since its inception.

Promise v/s Performance

The company has not made any issue of equity shares to the public prior to the present Public Issue.

ISSUE OTHERWISE THAN FOR CASH

The Company has not issued any Equity Shares for a consideration otherwise than for cash.

COMPANIES UNDER THE SAME MANAGEMENT

There are no listed companies under the same management within the meaning of Section 370(1B) of the Act.

OUTSTANDING DEBENTURES, BONDS AND PREFERENCE SHARES

As of date, the company does not have any outstanding Debentures, Bonds or Preference shares.

STOCK MARKET DATA FOR SHARES OF THE COMPANY

The equity shares of the company are not listed on any stock exchange.

REDRESSAL OF INVESTOR GRIEVANCE

The investor grievances against the Company will be handled by the Registrars and Transfer Agent in consultation with the secretarial department of the Company. To handle the grievances received, the Company has appointed Mr. Naveen Perla, as the Compliance Officer. He will supervise redressal of complaints received from the investors at the office of the Company as well as the Registrars to the Public Issue and ensure timely settlement.

All grievances related to the offer may be addressed to the Registrar to the Public Issue quoting the application No. (Including prefix), Number of equity shares applied for, amount paid on application, date, Bank and branch/ Collection center where application was submitted.

CHANGE IN AUDITORS

The company appointed M/s. JVR & Associates, Chartered Accountants in place of M/s. G. Joseph & Associates with effect from 28/10/05. JVR & Associates is formed by a former partner of G. Joseph & Associates who was looking after the issuer company's matters right from inception.

CAPITALISATION OF RESERVES OR PROFITS

The Company has issued a total of 61,80,000 equity shares of Rs. 10/- each as bonus shares, the details of which is given on page no. 11 of this prospectus. Other than this the company has not capitalized its reserves or profits at any time.

REVALUATION OF ASSETS

The company has not revalued its assets since the last five years.



SECTION VII: OFFERING INFORMATION

TERMS OF THE ISSUE

The equity shares being issued are subject to terms of this Prospectus, the terms and conditions contained in the application form, the Memorandum and Articles of Association of the Company, provisions of the Act and letters of allotment/ Equity Share Certificates or other documents and the guidelines issued from time to time by the Government of India and Securities & Exchange Board of India.

RANKING OF EQUITY SHARES

The equity shares being offered shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu with the other equity shares of the Company in all respect.

MODE OF PAYMENT OF DIVIDEND

The Company shall pay dividend to its shareholders as per the provisions of The Companies Act, 1956.

FACE VALUE AND ISSUE PRICE

The Equity Shares with a face value of Rs.10/- each are being offered in terms of this Prospectus at a price of Rs. 40.00 per share. At any point of time, there shall be only one denomination for the Equity Shares of the Company, subject to applicable laws.

RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to the applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meeting and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; and
- Such other rights, as may be available to a shareholder of a listed company under the Companies Act and Memorandum and Articles of Association of the Company.

For further details on the main provisions of the Company's Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/ splitting, see "Main Provisions of Articles of Association of the Company".

MARKET LOT

In terms of Section 68B of the Companies Act, the equity shares shall be allotted only in dematerialised form. As per the existing SEBI Guidelines, the trading in the Equity Shares of the Company shall only be in dematerialised form for all investors. The equity shares of the Company will be listed/traded in compulsory demat mode. The market lot of the share will be 1 (One).

NOMINATION FACILITY TO THE INVESTOR

In accordance with Section 109A of the Companies Act, the sole or first applicant, alongwith other joint applicants, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicants, death of all the applicants, as the case may be, the Equity Shares transferred/allotted, if any, shall vest. A person being a nominee, entitled to the equity shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the equity share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- a. to register himself or herself as the holder of the equity shares ; or
- b. to make such transfer of the equity shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the equity shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the equity shares, until the requirements of the notice have been complied with.

MINIMUM SUBSCRIPTION

If the company does not receive the minimum subscription of 90% of the issued amount on the date of closure of the issue, or if the subscription level falls below 90% after the closure of issue on account of cheques having being returned unpaid or withdrawal of applications, the company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after the company becomes liable to pay the amount, the company shall pay interest as per Section 73 of the Companies Act.

ISSUE PROCEDURE

OPTION TO SUBSCRIBE

In terms of section 68B of the Companies Act, 1956, the equity shares in this offer shall be allotted only in dematerialised form (i.e. not in the form of physical certificates but the fungible and be represented by the statement issued through electronic mode)

HOW TO APPLY

AVAILABILITY OF APPLICATION FORMS AND PROSPECTUS.

Application forms with Memorandum containing salient features of the Prospectus and copies of the Prospectus under Section 56(3) of the Act may be obtained from the Registered Office of the Company, the Lead Managers to the Public Issue, Brokers to the Public Issue and the Bankers to the Public Issue named herein or from their branches as stated on the reverse of the application form.

TERMS OF PAYMENT

a) For Indian Resident Public

The application (**WHITE in colour**) must be for a minimum of 150 equity shares and thereafter in multiples of 150 shares. The entire amount of Rs. 40/- per share is payable on application.

b) For Non-Resident Indians (NRI's)

The application (**RED in colour**) must be for a minimum of 150 equity shares and thereafter in multiples of 150 shares. The entire amount of Rs. 40/- per share is payable on application.

NOTE ON CASH PAYMENT (SECTION 269 SS)

Having regard to the provisions of Section 269 (SS) of the Income Tax Act, 1961, subscriptions against applications for securities should not be effected in cash and must be effected only by 'Account Payee' cheques or 'Account Payee' bank drafts, if the amount payable is Rs. 20,000/- or more. In case payment is effected in contravention of this provision, the application is liable to be rejected.



WHO CAN APPLY

1. Indian National Resident of India.
 2. Hindu Undivided Families (HUF) through the Karta of the HUF. (Applications by HUF would be given the same treatment as that to applications by individuals)
 3. Companies, Bodies Corporate and Societies registered under the applicable laws in India and authorised to invest in the shares.
 4. Scientific and/or Industrial Research Organisations, which are authorised to invest in the equity shares.
 5. Indian Mutual Funds registered with SEBI.
 6. Indian Financial Institutions & Banks.
 7. Trusts who are registered under the Societies Registration Act, 1860 or any other Trust Law and are authorised under their constitution to hold and invest in shares subject to provisions of Section 3A of the Bank Nationalisation Act.
 8. Commercial Banks and Regional Rural Banks. Co-operative Banks may also apply subject to permission from Reserve Bank of India.
 9. Venture Capital Funds registered with SEBI.
 10. Foreign Venture Capital Investors registered with SEBI.
 11. State Industrial Development Corporation.
 12. Provident Funds with minimum corpus of Rs. 25 crore and who are authorised under their constitution to hold and invest in equity shares.
 13. Pension Funds with minimum corpus of Rs. 25 crore and who are authorised under their constitution to hold and invest in equity shares.
 14. Multilateral and bilateral development financial institutions.
 15. Permanent and Regular employees/Working Directors of the Bank.
 16. Non Resident Indians (NRIs) on repatriation basis.
- Pursuant to the existing regulations, OCBs are not eligible to participate in the issue.

PROCEDURE FOR APPLICATION

APPLICATION BY RESIDENT INDIAN PUBLIC

1. Application must be made only:
 - a. On the prescribed Application Form (**WHITE** in colour) accompanying this Prospectus and completed in full in BLOCK LETTERS in English, except signature(s) in accordance with the instructions contained herein and in the application form and is liable to be rejected if not so made.
 - b. For a minimum of 150 Equity Shares and in multiples of 150 thereafter.
 - c. In single name or joint names (not more than three);
 - d. By Indian Nationals resident in India, and
 - e. In the names of individuals, limited companies or statutory corporations/institutions and NOT in the names of Minors, Foreign Nationals, Non-Residents, trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorised 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.
2. 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. Payment should be made in cash or by cheque/Bank Draft drawn on any bank (including a Co-operative Bank) which is situated at and is a Member or Sub-member of the Banker's Clearing House located at the place where the application is submitted.

3. A separate cheque or Bank draft should accompany each application form. Applicants should write the Share Application Number on the back of the Cheque /draft. Outstation Cheques will not be accepted and applications accompanied by such cheques drawn on outstation banks are liable for rejection. Money Orders/Postal Orders will not be accepted.
4. All Cheques or Bank Drafts must be payable to any of the Bankers to the Public Issue with whom the application is lodged and marked "Name of the Bank A/c- JRG Securities Ltd – Public Issue" and crossed "Account Payee Only" (e.g. **HDFC Bank - A/c JRG Securities Ltd – Public Issue**).
5. All application Forms duly completed together with cash/ cheque/bank draft for the amount payable on application must be delivered before the closing of the subscription list to any of the Bankers to the Public Issue named herein or to any of their branches mentioned on the reverse of Application Form, and NOT to the Company or to the Lead Managers to the Public Issue or to the Registrars to the Public Issue.
6. No receipt will be issued for the application money. However, Bankers to the Public Issue and/or their branches receiving the applications will acknowledge receipt by stamping and returning acknowledgment slip at the bottom of each application form.
7. When an application for Equity Shares is for a total value of Rs. 50,000/- or more, the applicant or in the case of application in joint names each applicant should mention his/her Permanent Account Number (PAN) allotted under the Income Tax Act, 1961 or where the same has not been allotted, the GIR Number and the IT Circle, Ward, District. In case neither PAN, GIR Number has been allotted mention of "Not Allotted" must be made in the place provided. Application Form without this information will be considered incomplete and is liable to be rejected.
8. All Cheques/Bank Drafts accompanying the application form should contain the Application Form Number on the reverse of the instrument.
9. The applicant should fill in the details of his/her bank account in the space provided in the application form failing which the application is liable to be rejected.
10. Having regard to the provisions of Section 269 (SS) of the Income Tax Act, 1961, subscriptions against applications for securities should not be effected in cash and must be effected only by 'Account Payee' cheques or 'Account Payee' bank drafts, if the amount payable is Rs. 20,000/- or more. In case payment is effected in contravention of this provision, the application is liable to be rejected.
11. 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 alongwith Demand Draft payable at Cochin only payable to "**JRG SECURITIES LTD. - Public Issue**"

For further instructions please read Application Form carefully.

APPLICATION BY NON RESIDENT INDIANS (NRIs)

1. Applications by Non-Resident Indians must be made only:
 - a. In the prescribed Application Form (**RED** in colour) and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected.
 - b. For a minimum of 150 Shares and in multiples of 150 thereof.
 - c. In single or joint names (not more than three).
 - d. In the names of individuals, (not in the names of minors or their nominees) of Indian nationality/origin.
2. 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 and export securities to NRI's/OCB'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 NRIs with repatriation basis.
3. Application forms properly completed together with cheques/bank drafts for the amount payable on application at the rate of Indian Rs. 40/- or equivalent of Indian Rs. 40/- remitted through normal banking channels or funds

- held in Non-Resident External (NRE) Accounts/Foreign Currency Non-Resident (FCNR) Accounts maintained with banks authorised to deal in foreign exchange in India along with documentary evidence in support of the remittance, must be delivered before the close of the subscription list to those branches of the Bankers to the Public Issue at places mentioned against their names in the application forms.
4. NRIs wishing to pay through NR (O) Accounts shall not use the form meant for NRIs and must apply only in the form meant for Resident Indian Public.
 5. All cheques/bank drafts should be made payable to the Bankers to the Issue with whom the application forms are lodged. All cheques or bank drafts should be crossed "A/c Payee Only". All cheques/bank drafts should be marked "**Name of the Bank A/C JRG Securities Ltd. - Public Issue - NRIs**". (e.g. **HDFC Bank A/c JRG Securities Ltd. - Public Issue - NRIs**") A separate cheque/bank draft must accompany each application form. NRI application forms can be obtained, on request, from the Registered Office of the Company and the Lead Managers to the Issue.
 6. Allotment of Equity Shares to Non-Resident Indians shall be subject to the prior approval of the Reserve Bank of India.
 7. Applicants are requested to mention the number of application form 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.

For further instructions please read the Application Form carefully.

APPLICATIONS WHICH ARE NOT COMPLETE IN EVERY RESPECT OR ARE IN CONTRAVENTION OF ANY PROVISIONS/INSTRUCTIONS CONTAINED IN THIS PROSPECTUS OR IN THE MEMORANDUM CONTAINING SALIENT FEATURES OF PROSPECTUS ARE LIABLE TO BE REJECTED.

GENERAL INFORMATION

Applicants can seek allotment in demat form only and not in physical form

- The applicant seeking allocation of shares in the electronic form must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's ID Number) appearing under the heading "Request for shares in electronic form".
- An applicant who wishes to apply for shares in the electronic form must have atleast one Beneficiary Account with any of the Depository Participant (DP) of NSDL/CDSL registered with SEBI, prior to the application.
- Shares allotted to an applicant in the electronic form will be credited directly to the respective Beneficiary Account (with a DP).
- For subscription in electronic form, names in the share application form should be identical to those appearing in the account details in the Depository. In case of joint holders, the name should necessarily be in the same sequence as they appear in the account details in the Depository.
- Non-transferable allotment letters/ refund orders will be directly sent to the applicant by the Registrar to the present Public Issue,
- The applicant is responsible for the correctness of the applicant demographic details given in the share application form vis-à-vis those with his/her DP.
- It may be noted that electronic shares can be traded only on the stock exchanges having electronic connectivity with NSDL/CDSL.
- The applicant should note that on the basis of the name of the Applicant, Depository Participant's name, Depository Participants identification number and beneficiary account number provided by them in the Application Form, the Registrar to the Offer may obtain applicant's correspondence address from the said Depository Account of the Applicant. The applicants are advised to update the correct correspondence address in their respective DP A/cs.

INVESTORS SHOULD NOTE THAT TRADING IN SECURITIES OF THE COMPANY SHALL BE IN DEMATERIALIZED FORM ONLY.

JOINT APPLICATIONS:

An application may be made in single or in joint names (not more than three). In the case of joint application, refund/pay order (if any), dividend/interest warrants etc., will be made out in the name of the first applicant and all communications will be addressed to the applicant whose name appears first and at his/her address stated in the Application.

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 in single and/or joint names will be deemed to be multiple applications if the sole and/or first applicant is one and the same. The Board of Directors reserves the right to reject in its absolute discretion all or any multiple applications without assigning any reason. However employees may apply in the public offer.

In case of applications by Mutual Funds, a separate application must be made in respect of each scheme of an Indian Mutual Fund registered with SEBI and such applications will not be treated as multiple applications, provided that the applications made by the Asset Management Company/Trustees/Custodian clearly indicate their intention as to the scheme for which the application has been made.

Application made by permanent/regular employees of the company both under the reserved category for employees as well as in the net public offer shall not be treated as multiple applications. A separate single cheque/draft must accompany each application form.

APPLICATION UNDER POWER OF ATTORNEY OR BY LIMITED COMPANIES:

In the case of applications under Power of Attorney or by Limited Companies or Corporate Bodies, the relevant power of attorney or the relevant authority as the case may be, or a duly certified copy thereof must be attached to the application form or must be lodged separately at the office of the Registrars to the Issue, simultaneously with the submission of the application form mentioning the serial number of the application form and the bank branch where the application has been submitted, failing which the application is liable to be rejected.

Thumb impression or signature in languages other than the languages specified in the eighth schedule must be attested by Magistrate or Notary Public or a special Executive Magistrate under his official seal.

APPLICATION (S) WILL NOT BE ACCEPTED BY THE LEAD MANAGERS OR REGISTRARS TO THE PUBLIC ISSUE**SECTION 269 SS OF INCOME TAX ACT, 1961**

In respect of all the categories eligible to apply in this issue, having regard to the provisions of Sec 269SS of the Income Tax Act, 1961 the subscriptions against these applications should not be effected in cash and must be effected by an Account Payee Cheques/Draft, if the amount payable is Rs. 20,000/- or more. In case the payment is effected in contravention of this provision, the applications are liable to be rejected.

DISCLOSURE OF P.A.N. / G.I.R. NUMBER:

Where an application for allotment of securities is for a total value of Rs.50,000/- or more i.e., the total number of securities applied for multiplied by the issue price is Rs.50,000/- or more the applicant or in case of application in joint names, each of the applicants, should mention his / her permanent account number allotted under the Income Tax Act, 1961 or where the same has not been allotted, the GIR Number and the Income Tax Circle / Ward / District. In case where neither the permanent account number nor GIR Number has been allotted, the fact of non-allotment should be mentioned in the application form. Application forms without this information will be considered incomplete and will be liable to be rejected.

PARTICULARS RELATING TO SAVING BANK / CURRENT ACCOUNT NUMBER:

The Applicant should note that on the basis of the name of the Applicant, Depository Participant's (DP) name, Depository Participants identification number and beneficiary account number provided by them in the Application Form, the Registrar to the Offer will obtain from the Applicant's DP A/c, the Applicant's book account details. The investors are advised to ensure that bank account details are updated in their respective DP A/cs as these bank account details would be printed on the refund order(s), if any.



RIGHTS TO REJECT

Grounds for Technical Rejections

Applicants are advised to note that Applications are liable to be rejected on among others on the following technical grounds:

1. Amount paid doesn't tally with the amount payable for the Equity Shares applied for;
2. Bank account details (for refund) are not given;
3. Age of First Applicant not given;
4. Application by minors;
5. PAN or GIR Number not given if application is for Rs. 50,000 or more;
6. Application for lower number of Equity Shares than specified for that category of investors;
7. Application at a price less than the offer price;
8. Application at a price higher than the stated price;
9. Application for number of Equity Shares, which are not in multiples of 150.
10. Category not ticked;
11. Multiple applications
12. In case of application under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
13. Application Form does not have Applicant's depository account details;
14. Application Forms are not delivered by the applicant within the time prescribed as per the Application Form, Issue Opening Date advertisement and this Prospectus and as per the instructions in this Prospectus and Application Form; or
15. Applications for amounts greater than the maximum permissible amounts prescribed by the regulations.
16. Applications not duly signed by the sole/joint Applicants;
17. Applications by OCBs; or
18. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the applicant (including the sequence of names of joint holders), the depository participant's identity (DP ID) and the beneficiary's identity except for Permanent Employees.

DEMATERIALISATION

As per the provisions of the Depositories Act, 1996, the shares of a body corporate may be held 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 Company has entered into a tripartite agreement dated 03/02/2006 with the National Depository Services Ltd. (NSDL) and Bigshare Services Pvt. Ltd. (Registrar and Transfer Agent) for dematerialisation of the equity shares of the company. The Company has also entered into a tripartite agreement dated 03/02/2006 with the Central Depository Services Limited (CDSL) and Bigshare Services Pvt. Ltd. for dematerialisation of the equity shares of the Company. The ISIN Number granted to the equity shares of the Company is INE347H01012

COMMUNICATION

All future communications in connection with Application 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, number of Equity Shares applied for, date, bank and branch where the application was submitted and cheque/draft number and issuing bank thereof.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEY:

No receipt will be issued for the application money. However, the bankers/collection centre to the issue and/or their branches receiving the applications will acknowledge the receipt of the applications by stamping and returning to the applicant the acknowledgment receipt at the bottom portion of each application form. The Company will inform the applicants in respect of allotments made or applications rejected by despatch of allotment letter or regret letter and/or pay orders of value over Rs. 1500/-, if any, by Registered Post within 10 weeks of the date of closure of the subscription list. Refunds of value not over Rs. 1500/- will be dispatched under Certificate of Posting. Such Cheques or Demand Drafts will be payable at par at all centers where the applications were received. Bank Charges, if any, for en-cashing refund pay orders/cheques at any other place will be payable by the applicant.

The Board of Directors reserves, at its sole, absolute and unqualified discretion, the right to reject any application in full or in part without assigning any reason. If an application is rejected in full, the whole of the application money will be refunded to the applicant and in case of Joint applications, to the first named applicant. Where an application is rejected in part, the excess application money will be refunded to the applicant in accordance with the provisions of Section 73 of the Act. In case of any delay in sending the refund orders by more than eight days beyond 10 weeks from the date of closing of the subscription list, interest will be paid at the rates prescribed under Section 73 of the Act, to such applicants. However the Company shall as far as possible despatch the Share Certificates & Refund Orders within 30 days.

The Company undertakes to make available to the Registrars to the issue, adequate funds for allotment letters/ share certificates to be sent by registered post.

The sums received in respect of the Public Issue will be kept in separate Bank account(s) and the issuer will not appropriate the funds unless approval of the Designated Stock Exchange i.e. BSE is obtained for allotment and no utilisation shall be made till listing and trading approval is obtained from BSE where the shares are proposed to be listed.

BASIS OF ALLOTMENT

Allotment will be made in consultation with BSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as given below:

- a. Applicants will be categorised according to the number of Shares applied for.
- b. 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 oversubscription ratio (number of applicants in the category x number of Shares applied for).
- c. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis (i.e. Total number of Shares applied for into the inverse of the oversubscription ratio).
- d. For applications where the proportionate allotment works out to less than 150 Shares the allotment will be made as follows:
 - (i) each successful applicant shall be allotted 150 Shares; and
 - (ii) the successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- e. If the proportionate allotment to an applicant works out to a number that is not a multiple of 150, the applicant would be allotted Shares by rounding off to the nearest integer subject to a minimum allotment of 150 equity shares.
- f. 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



- g. If as a result of the process of rounding off to the nearest integer results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, upto 110% of the size of the offer specified under Point 9 in Notes to the Capital Structure mentioned in the Prospectus.
- h. 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:
 - i) 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.
 - ii) The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retail individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
 - iii) The unsubscribed portion of the net offer to any one of the categories specified in (i) or (ii) shall/may be made available for allocation to applicants in the other category, if so required.

'Retail individual investor' means an investor who applies for shares of value of not more than Rs. 1,00,000/-

Investors may note that in case of over - subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE. The drawal of lots (where required) to finalize the basis of allotment shall be done in the presence of a public representative on the governing board of the BSE.

The Executive Director / Managing Director of the 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 Guidelines.

ALLOTMENT / REFUNDS

Refunds, if any, will be made alongwith Allotment Letters / Share Certificates and / or regret letters by Refund Orders drawn on the Bank nominated for this purpose by the Company and will be dispatched within 10 weeks from the date of closure of Issue, by Registered Post. The Company shall ensure dispatch of refund orders of value over Rs. 1500/- by Registered Post only and adequate funds for the purpose shall be made available to the Registrar by the issuer company. Such refund orders will be payable at par during their validity period at all centres where the applications are received or such places from where the applications were collected. In case of joint applications, Refund Orders, if any, will be made out in the First applicant's name and all communication will be addressed to the person whose name appears on the Application form.

INTEREST IN CASE OF DELAY IN DESPATCH OF ALLOTMENT LETTERS /REFUND ORDERS

The Company agrees that -

- a. As far as possible allotment of securities offered to the public shall be made within 30 days of the closure of the Public Issue.
- b. The Company further agrees that it shall pay interest @ 15% per annum if the allotment letters/refund orders have not been despatched to the applicants within 30 days from the date of the closure of the issue.

ACCESS TO THE FUNDS:

Subscription received against this issue would be kept in a separate bank account and the Company will not have access to these funds so collected until it has received approval for allotment from BSE and listing and trading permission is received from BSE where listing is proposed in terms of this Prospectus.

UNDERTAKINGS BY THE ISSUER COMPANY

The Board of Directors of JRG Securities Ltd. state that: -

- i) All the complaints in respect of the Public Issue shall be attended to by the Company expeditiously and satisfactorily.
- ii) That the Company shall take necessary steps for completion of the necessary formalities for listing and commencement of trading on BSE within 7 working days of finalisation of basis of allotment.
- iii) That the Company shall apply in advance for the listing of equity shares.
- iv) That the funds required for despatch of refund orders/ allotment letters/ certificates by registered post shall be made available to the Registrar to the Issue by the Company.
- v) That the certificates of the securities/ refund orders to the non-resident Indians shall be despatched within specified time.
- vi) That no further issue of securities shall be made till the securities offered through this Prospectus are listed or till the application money is refunded on account of non-listing, undersubscription etc.

UTILISATION OF ISSUE PROCEEDS

The Board of Directors of JRG Securities Ltd. states that:

- i. All monies received against this Public Issue shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act, 1956.
- ii. Details of all monies utilised out of Public Issue referred to in sub-item(i) shall be disclosed under an appropriate separate head in the Balance Sheet of the company indicating the purpose for which such monies had been utilised; and
- iii. Details of all unutilised monies out of the present Public Issue, if any, referred to in sub-item(i), shall be disclosed under an appropriate separate head in the Balance Sheet of the company indicating the form in which such unutilised monies have been invested.

The Board of Directors of the company further certifies that:

- i. the utilization of monies received under reservations shall be disclosed under an appropriate head in the balance sheet of the Company indicating the purpose for which such monies have been utilized;
- ii. the details of all unutilized monies out of the funds received from reservations shall be disclosed under a separate head in the balance sheet of the Company indicating the form in which such unutilized monies have been invested.

The Company shall not have any recourse to the Issue proceeds until the approval for trading the Equity Shares is received from all the Stock Exchanges where listing is sought is received. Pending utilisation of the proceeds of the Issue as specified under the heading "Objects of the Issue", the net proceeds from the Issue may be invested by the Company in high quality interest bearing liquid instruments including but not limited to deposits with banks for the necessary duration.

SECTION VIII
OTHER INFORMATION
MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Article 3	Amount of Capital
	The authorized Shares Capital of the company is Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 (One Crore Fifty lakh) Equity Shares of Rs. 10/- (Rupees Ten) each.
Article 4	Increase of Capital by company, and how carried into effect
	The company in General Meeting may, from time to time, increase the capital by the creation of new shares, such increase to such aggregate amount and to be divided into shares of such respective amounts, as the resolution shall prescribe. Subject to the provisions of the Act, any shares, of 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 direct, and if no direction be given as the directors shall determine, and in particular, such shares may be issued with a preferential or qualified rights to dividends, and in the distribution of assets of the company, and with a right of voting at general meetings of the 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 this Articles the Directors shall comply with the provisions of Section 97 of the Act.
Article 5	Rights of ordinary shareholder to further issue of capital
	Where it is proposed to increase the subscribed capital of the company by allotment of further shares, then such further share, shall be offered to persons who, at the date of the offer, are holders of the ordinary shares of the company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date, and such offer shall be made in accordance with the provisions of the Section 81 of the Act, provided that notwithstanding anything hereinbefore contained, the further shares aforesaid may be offered to any persons, whether or not those persons include the persons who, at the date of the offer, are holder of the ordinary shares of the company, in any manner whatsoever. (a) If a Special Resolution to that effect is passed by the company in General Meeting, or (b) Where no such Special Resolution is passed if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the Resolution move 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 member so entitled and voting and the Central Government is satisfied on an application made by the Board of directors in that behalf, that the proposal is most beneficial to the company
Article 6	New Capital same as existing capital
	(a) Except so far as otherwise provided the conditions of issue by these presents, any capital raised by the creation of new shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission voting and otherwise. (b) Shares at a Discount With the previous authority of the company in General Meeting and sanction of the company law board and upon otherwise complying its Section 79 of the Act, the board may issue at discount shares of a class already issued.

Article 9	Reduction of capital
	The company may (subject to the provisions of Sections 80,100 to 105 both inclusive, of the Act) from time to time by Special Resolution reduce its capital, in any manner for the time being authorised by law, and in particular capital may be paid off on the footing that it may be called upon against or otherwise. This Article is not to derogate from any power the company would have if it were omitted.
Article 10	Subdivision, Consolidation and cancellation of shares
	If any share stands in the names of two or more persons, the person first named in the register shall as regards receipt of dividends or bonus or service of notice and all or any other matters connected with the Company, except voting at meetings be deemed the sole holder thereof, but the joint holders of the share, shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares for all incidents thereof according to the Company's regulations.
Article12	Buy back of Shares
	The company shall have the power to purchase any of its shares whether or not they are redeemable and may make payment out of capital in respect of such purchase, subject to and to the extent permissible in accordance with the applicable provisions of the Act, (including any statutory modification or re-enactment therefore) or guidelines issued by any other statutory authorities like SEBI/RBI/CLB etc.
Article 15	Further issue of capital
	<p>(a) Where at any time after 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 be offered to the persons who at the date of the offer, are holders of the equity shares of the company, in proportion as nearly as circumstances admit, to the capital paid-up on these shares at the date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of 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 to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the company.</p> <p>(b) Notwithstanding anything contained in the preceding sub clause, the company may:-</p> <p>(i) by a special resolution; or</p> <p>(ii) where no such special resolution is passed, if the votes, cast (whether on a show of hands or on poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled 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 to voting and the Central Government is satisfied on an application made by the Board of Directors, in this behalf, that the proposal is most beneficial to the company</p> <p>(c) Notwithstanding anything contained in sub-clause (a) above, but subject however to section 81 (3) of the Act the company may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the company to convert such debentures or loans into shares, or to subscribe for shares in the company.</p>
Article 17	Power to company in General Meeting to issue shares and acceptance of shares
	In addition to and without derogating from the powers for that purpose conferred on the

	<p>Board under Articles 14 and 15, the company in General Meeting may, subject to the provisions Section 81 of the Act, determine that any shares (whether forming part of the original capital or of any increase capital of the company) shall be offered to such person (whether members or not) in such proportion and on such condition and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at a discount and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the company either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting of the company or the General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any shares.</p>
Article 20	Liability of members
	<p>Every member, or his heirs, executors or administrators shall pay to the company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the company's regulations, require or fix for the payment thereof.</p>
Article 21	Share
	<p>(a) Every member or allottee of shares shall be entitled, without payment, receive one certificate specifying the name of the person in whose favour 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 and on surrender to the company of its letter of allotment or its fractional coupons or 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 a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose, and two directors or their attorneys and the Secretary or other persons shall sign the share certificate, provided that if the composition of the Board permits it at least one of the afore said two directors shall be a person other than a Managing or whole-time directors, particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of the issue.</p> <p>(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 share, which may be the subject of joint ownership, may be delivered to the person first named in the certificate. The Board shall be entitled, but shall not be bound to prescribe a charge not exceeding rupee one. The company shall comply with the provisions of Section 113 of the Act.</p> <p>(c) A director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography 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 material used for the purpose</p>
Article 23	The First named of joint holder deemed sole holder
	<p>If any share stands in the names of two or more persons, the person first named in the register shall as regards receipt of dividends or bonus or service of notice and all or any other matters connected with the company, except voting at meetings be deemed the sole holder thereof, but the joint holders of the share, shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such shares for all incidents thereof according to the company's regulations.</p>
Article 24	Company not bound to recognize any interest in share other than that of registered holder

	<p>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, or (except provided) any rights in respect of a share other than absolute rights thereto, in accordance with these Article, in the person from time to time registered as the holder thereof, but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.</p>
Article 25	Funds of company may not be applied in purchase of shares of the company
	<p>None of the funds of the company shall be applied for the purchase of any share 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.</p>
Article 28	Directors may make calls
	<p>The Board may, from time to time subject to the terms on which shares may have been issued and subject to the conditions of allotment by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and each member shall pay the amount of every call made on him to the persons and at the times and places appointed by the Board.</p>
Article 29	Notice of calls
	<p>Fifteen days notice in writing of any call shall be given by the company specifying the time and place of payment, and the person or persons to whom such call shall be paid.</p>
Article 39	Company have lien on shares
	<p>The company shall have a first and paramount lien upon all the shares (other than fully paid-up 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 or not) called or payable at a fixed time in respect of such shares and no equitable interest in any shares shall be created except upon the footing, and upon the condition that Article 24 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 a transfer of shares shall operate as a waiver of the company's lien, if any, on such shares.</p>
	FORFEITURE
Article 42	If call or instalment not paid notice may be given
	<p>If any member fails to pay any call or instalment on or before the day appointed for the payment of the same, the Board may at any time thereafter during such member requiring him to pay the same, together with any interest that may have been incurred by the company by reason of such non-payment.</p>
Article 43	Form of Notice
	<p>The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time, and at the place appointed the shares in respect of which such call was made or instalment is payable will be liable to be forfeited.</p>
Article 44	If notice not complied with shares may be forfeited
	<p>If the requisitions of any such notice as aforesaid be not complied with any shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or instalments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of forfeited shares and not actually paid before the forfeiture.</p>

Article 45	Notice of forfeiture to a member
	When any shares 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 any manner invalidated, by any omission or neglect to give such notice or to make any such entry as aforesaid.
Article 46	Forfeited share become property of the company
	Any share so forfeited shall be deemed to be the property of the company, and the Board may sell, re-allot or otherwise dispose of the same in such manner as it thinks fit.
Article 47	Power to annul forfeiture
	The Board may, at any time before any share so forfeited shall have been sold, reallocated, or otherwise disposed of, annul the forfeiture thereof upon such condition as it thinks fit.
Article 48	Liability on forfeiture
	A person whose share has been forfeited shall cease to be a member in respect of the forfeited share, but shall notwithstanding, remain liable to pay, and shall forthwith pay to the company, all calls, or instalments interest and expenses, owing upon or in respect of such share at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment, at such rate as the Board may determine, and the Board may make any deduction or allowance for the value for the shares at the time of forfeiture, but shall not be under any obligation to do so.
Article 49	Effect of forfeiture
	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
Article 50	Evidence of forfeiture
	A duly verified declaration in writing that the declarant is a director of the company, and that certain share in the company have been duly forfeited 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 shares and such declaration and the receipt of the company for the consideration, if any, given for the shares on the sale or disposition thereof shall constitute a good title to such shares; and the person to whom any such share is sold shall be registered as the member in respect of such share and shall not be bound to see to the application of the purchase money, nor shall his title to such share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition
Article 51	Cancellation of shares certificate in respect of forfeited
	Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates 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 full 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.
Article 53	Instruments of transfer
	The instrument transfer shall be in writing and all the provisions of section 108 of the Act, shall be duly complied within respect of all transfers of shares and the registration thereof.
Article 66	Dematerialisation of securities
(2)	Either the company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the right and obligations of the parties concerned and matters connected therewith or incidental hereof, shall be governed by the provisions of the Depositories Act, as amended from time to time or any statutory modification thereto or re-enactment thereof.

	(3)	Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing securities, dematerialize its securities held in the Depositories and/or offer its fresh securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.
Article 66	(4)	Option to receive Securities Certificates or held Securities with Depository
		Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. . If a person opts to hold his security with Depository, the company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottees as the Beneficial Owner of the security.
Article 66	(5)	Securities in
		All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial owner.
Article 66	(6)	Rights of Depositories and Beneficial Owners
	(a)	Notwithstanding anything to the contrary contained in the Act, or these Articles, a Depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of security on behalf of the Beneficial Owner.
	(b)	Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the security held by it.
	(c)	Every person holding securities of the company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a member of the Company. The Beneficial Owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.
Article 66	(7)	Beneficial Owner deemed as absolute owner
		Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the Beneficial Owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equitable, contingent future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be entitled at their sole discretion to register any share in the joint names of any two or more persons or the survivors of them.
		BORROWING POWERS
Article 68		Power to Borrow
		The Board may, from time to time at its discretion subject to the provisions of Section 292 and 370 of the Act, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purposes of the company, provided that the Board shall not without the sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say, reserves not aside for any specific purpose.

	CONVERSION OF SHARES INTO STOCK AND RECONVERSION
Article 75	Shares may be converted into Stock
	The Company in General Meeting may convert any paid-up shares into stock, and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interest, in the same manner and subject to the same regulations as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The company may at any time reconvert any stock into paid up shares of any denomination.
	Rights of Stockholders
	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 meeting of the company and matters as if they held the shares from which the stock arose, but no such privileges or advantage (except participation in the Dividends and profits of the Company and in the assets of winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
Article 78	Extra Ordinary General Meeting
	The Board may, whenever it think fit, call an Extra-Ordinary 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 paid-up capital as at the date carries the right of voting in regard to the matter in respect of which the requisition has been made.
Article 81	Meeting Called by requisitionists
	Any meeting called under the foregoing Articles required by the requisitions shall be called in the same manner, as nearly as possible, as that in which meeting are to be called by the Board.
	VOTE OF MEMBERS
Article 96	No members shall be entitled to vote either personally or by proxy, at any General Meeting or meeting of class of shareholders either upon 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 the which the company has, and has exercised any right of lien.
Article 97	Number of vote which member entitled
	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 any class of shares for the time being forming part of the Capital of the Company every member not disqualified by the last preceding Article shall be entitled to be present, and to speak and vote at such meeting, and on show of hands every member present in person shall have one vote and upon a poll the voting rights of every member present in person or by proxy shall be in proportion to his shares 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 (2) of Section 87, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares.
Article100	Votes of Joint Members
	If there be joint holders of any shares, any one of such person 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 right to speak at the meeting and, if more than one such joint holders be present at any meeting, that one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting, several executors or

	administrators of a deceased members in whose name shares stand shall for the purpose of these Articles to be deemed joint holders thereof.
	DIRECTORS
Article 112	Number of Directors
	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act the number of Directors including Debenture alternate and Corporation Directors, (If any) shall not be less than three nor more than twelve. The company in General Meeting may from time to time increase or reduce the number of Directors within the limits fixed by this Article.
Article 119	Director's power to fill casual vacancies.
	Subject to the provisions of Sections 262, 264 and 284(6) of the Act, the Board shall have power at any time and from time to time to 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 to which the Directors in whose place he is appointed would have held office if it has not been vacated by him.
Article 140	MANAGING DIRECTOR
	Subject to the provisions of the Act, and of the Articles, the Board shall have power to appoint from time to time any of its member as Managing Director or Managing Directors of the Company for fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit and subject to the provision of Article 142 the Board may by resolution vest in such Managing Director or Managing Directors such of the 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 a Managing Director may be by way of monthly payment, fee for each meeting or participation in profits or any of all these modes, or any other mode not expressly prohibited by the Act.
	DIVIDENDS
Article 161	The Company in General Meeting may declare a dividend
	The profits of the Company subject to any special rights relating thereto created or authorised to be created by these Articles, and subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
Article 168	No members to receive dividend while indebted to the company's right of reimbursement thereof
	No member shall be entitled to receive payments of any interest or dividend in respect of his share or shares, while any money may be due or owing from him to the Company in respect of such share or shares or otherwise however, either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.
Article 169	Transfer of share must be registered
	A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
	RECONSTRUCTION
Article 190	Reconstruction
	On any sale of the undertaking of the company the Board or the liquidators on a winding-up may, if authorised by a Special Resolution accept fully paid or partly paid-up shares, and debentures or securities of any other company whether incorporated in India or in part of the

	property of the Company and the Board (if the profits of the Company permit) or the Liquidators (in a winding-up) may distribute such shares or securities or any other property of the company amongst the members without realisation or vest the same in trustees for them and any special Resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefits or property otherwise than in accordance with the strict legal right of the member or contributories of the company and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by valuation or distribution so authorised and waive all rights in the course of being wound up, such statutory right (if any) under Section 44 of the Act as are incapable of being varied excluded by these Articles.
	WINDING UP
Article 191	Liquidator may divide assets specie
	The Liquidator on any winding up (whether voluntary, under supervision or compulsory) may, with the sanction of any preference share capital, divide among the contributories in specie part of the assets of the Company and may with the like vest any part of the assets of the Company, in trustees such trusts for the benefit of the contributories as the liquidator, with the like sanction shall think fit.
	SECRECY
Article 193	Secrecy
	Every Director, Manager, Auditor, Treasurer, Trustee, member of a Committed, Officer, Servamnt, Agent, Accountant or other person employed in the business of the Company shall, if so required by Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy regarding all customers and the state of account with individuals and in matters thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Board or by Court of Law and except so far as be necessary in order to comply with any of the provisions of these presents constituted.

MATERIAL CONTRACTS AND DOCUMENTS

The Contracts referred to in para (A) below which are or may be deemed material, have been entered into by the Company.

The contracts together with the documents referred to in paragraph (B) below, copies of all of which have been attached to the copy of this Prospectus may be inspected at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day from the date of this Prospectus until the closing of the subscription list.

A. Material Contracts for Inspection

1. True copy of Letter of Engagement dated 08/09/2005 from the Company to Keynote Corporate Services Limited as LM and their acceptance thereto.
2. Memorandum of Understanding dated 15/10/2005 between the Company and the LM to this Issue.
3. Memorandum of Understanding dated 17/11/2005 between the Company and Bigshare Services Pvt. Ltd. as Registrars to this Issue.
4. Tripartite agreement between the NSDL, our Company and Bigshare Services Pvt. Ltd dated 03/02/2006.
5. Tripartite agreement between the CDSL, our Company and Bigshare Services Pvt. Ltd. dated 03/02/2006.
6. True copy of the Memorandum of Understanding between the Company and Mr. Hazza Bin Mohammed Yahiya Mohammed.

B. Material Documents for Inspection

1. True copy of Memorandum and Articles of Association of the Company, as amended from time to time.
2. True copy of Certificate of Incorporation of the Company dated 22/09/2003.
3. True copies of SEBI registration certificates in respect of the memberships of NSE, BSE, CSE and DP of NSDL.
4. True copy of Extraordinary General Meeting resolution dated 28/10/2005, authorizing this Issue.
5. True copies of the Annual Reports of the Company and its Subsidiaries for the years ended March 31, 2001, 2002, 2003, 2004 and 2005 and audited report for the period ended December 31, 2005.
6. True copy of the tax benefit report dated 28/10/2005 from M/s. JVR & Associates, Chartered Accountants.
7. Certificate dated 01/03/2006 issued by M/s. JVR & Associates, Chartered Accountant & Statutory Auditors of the Company reporting financials of JRG Securities Ltd. in terms of part II schedule II of the Companies Act, 1956 and including capitalization statement, taxation statement, accounting ratios. Report of the Auditors dated 01/03/2006 from M/s. JVR & Associates, Chartered Accountants.
8. Consents of Auditors, Bankers to the Company, Lead Manager, Legal Advisors to the Company, Legal Advisors to this Issue, Directors, Company Secretary, Registrar to this Issue, Bankers to this Issue, Compliance Officer as referred to, in their respective capacities.
9. General Power of Attorney executed by Mr. Giby Mathew, Mr. Jiji Antony, Mr. T. M. Venkataraman, Mr. S. K. K. Nair and Mr. Mathew Jacob, Directors of the Company in favour of Mr. Regi Jacob, Managing Director for signing and making necessary changes in this Prospectus.
10. True copy of application to BSE for listing
11. True copy of in principal listing approval received from BSE vide their letter no. List/sm/jc/2006 dated 06/01/2006.
12. True copies of Undertakings from the Company
13. True copy of due Diligence Certificate dated 30/11/2005 to SEBI from Keynote Corporate Services Limited
14. SEBI observation letter no. SRO/PMD/IMID/EIF/2005/13/6678 dated 22/02/2006
15. True copy of Resolution of the Members of our Company passed at the Extraordinary General Meeting held on 28/10/2005, appointing M/s. JVR & Associates, Chartered Accountants as statutory auditors for the year 2005-06.
16. True copies of Letters from NSE and BSE approving the Bonus Issue and the IPO.



PART III DECLARATION

All the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under or guidelines issued, as the case may be. We further certify that all the disclosures made in this Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF THE COMPANY

Sd/-
T M Venkataraman *
(Chairman)

Sd/-
Giby Mathew *
(Director)

Sd/-
S K K Nair *
(Director)

Sd/-
Regi Jacob
(Managing Director)

Sd/-
Jiji Antony *
(Director)

Sd/-
Mathew Jacob *
(Director)

*** Power of Attorney executed in favour of Mr. Regi Jacob**

PLACE : Pala

DATE : 29/03/2006